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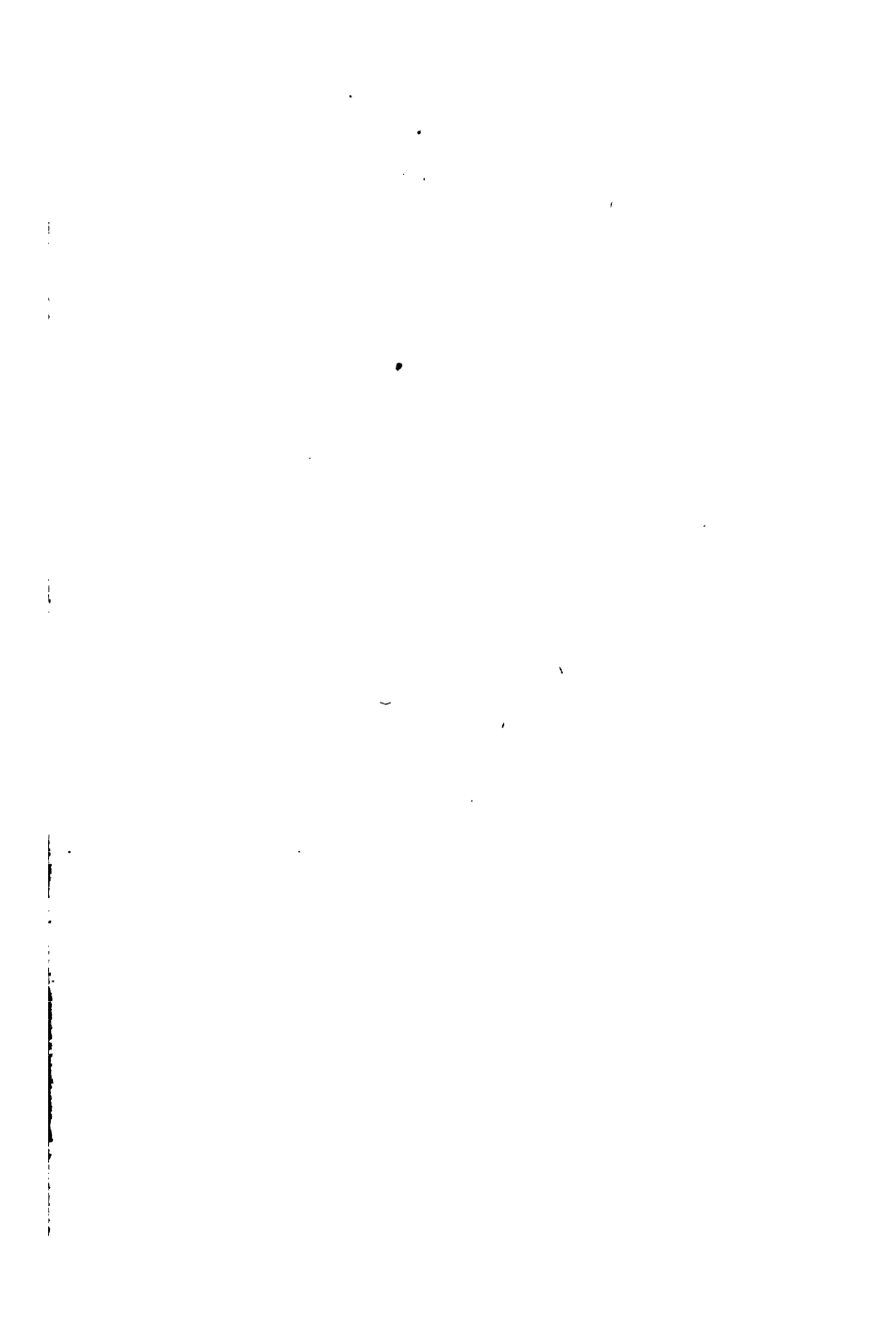
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A MANUAL OF
et
MAINE CORPORATION LAW.

THE STATUTE LAW RELATING TO
MANUFACTURING, MINING,
—AND—
BUSINESS CORPORATIONS,
—WITH—
NOTES OF DECISIONS
AND BLANK FORMS.

COMPILED BY
ISAAC W. DYER,
ATTORNEY-AT-LAW.

PORTLAND:
LOBING. SHORT & HARMON,
1881.

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ERRATA.

On page 13, paragraph 5, read Whiting for Whitney.

On page 17, paragraph 6, read Savage M. Co. v. Armstrong for Savage v. M. Co. Armstrong.

On page 25, paragraph 3, read Penobscot R. R. Co. for Penobscot & Ken. R. R. Co.

On page 26, paragraph 4, read 39 Me. for 29 Me.

On page 41, paragraph 2, read All acts of incorporation for All acts of a corporation.

On page 60, foot-note 1 should be expunged,—Chap. 187. Public Laws, 1871, having been repealed by Chap. 22, Public Laws, 1872.

EXPLANATORY NOTE.

The object of this small compilation is to present, in a convenient form for reference, the Statute Laws of Maine relating to corporations organized under the general law, and more especially those provisions relating to manufacturing, mining and general business corporations. In addition to the Statutes now in force, notes of all the Maine decisions concerning these classes of corporations have been collected and arranged, so far as possible, under the sections to which they refer, or to which they seem most applicable. the general title of the section governing the decisions placed under it.

It has been found extremely difficult to make such an arrangement of the subjects as would render them easy for reference. Nothing like scientific order has been attempted, but it is believed that, by the aid of the headings and index, all the provisions of the law and the points covered by the decisions can be readily found in the arrangement adopted.

After the index was printed it was deemed advisable to insert a set of blank forms. They will be found in the second appendix. The compiler is under obligation to Charles P. Mattocks, Esq., for assistance in preparing these forms.

With these explanations, the compiler sends his work forth to the profession with the disclaimer of anything more having been attempted than a *mere compilation*, and with the modest hope that, in spite of its imperfections, it may be found of practical value.

Portland, July 1st, 1881.

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GENERAL LAW.

(Chapter 46, Revised Statutes, 1871.)

General Powers.

SEC. 1. Corporations may sue and be sued, plead and be impleaded, in their corporate name; have a common seal alterable at pleasure; elect all necessary officers; prescribe their duties and fix their compensation; make by-laws consistent with the laws of the State and their charters;¹ and hold and convey lands and other property.

Pleading the general issue admits the legal existence and competency of the corporation to bring suit.

Penobscot Boom v. Lamson, 16 Me. 224.

Savage M. Co. v. Armstrong, 17 Me. 34.

Trustees of P. F. School v. Fisher, 30 Me. 523.

Freeman v. M. W. P. & M. Co., 38 Me. 343.

O. & L. R. R. Co. v. Veazie, 39 Me. 571.

Penobscot & K. R. R. Co. v. Dunn, 39 Me. 587.

Ticonic Bank v. Bagley, 68 Me. 249.

The books of a corporation are the regular evidence of its corporate acts.

Coffin v. Collins, 17 Me. 440.

Whitman v. Granite Church, 24 Me. 236.

Where the records of a corporation are in existence and can be obtained, parol evidence is inadmissible to prove the acceptance of the charter, or to prove what persons are members of the corporation.

Coffin v. Collins, *supra*.

A statute granting corporate powers is inoperative till it is accepted.

Lincoln & Kennebec Bank v. Richardson, 1 Me. 79.

¹ See cases under sec. 5, page 7.

The *acceptance* of a charter creating a company, must be proved by the best evidence in the power of the party relying upon it.

If its records cannot be produced, an acceptance of the charter may be proved by implication from the acts of the company.

Hudson v. Carman, 41 Me. 84.

Bangor, O. & M. R. R. v. Smith, 47 Me. 34.

The existence of the corporation may be inferred from the exercise of its corporate powers.

South Bay Meadow Dam Co. v. Gray, 30 Me. 547.

Sampson v. B. S. M. Corp., 36 Me. 78.

Hudson v. Carman, *Supra*.

The existence, powers, and capacities of corporations created by the legislature, must depend upon the act by which they are created.

Penobscot Boom v. Lamson, 16 Me. 224.

Corporations, originating according to the rules of the common law, must be governed by it, in their organization, and the exercise of its powers; and when one claims its origin from such a source, those rules must be regarded in deciding upon its legal existence.

Ibid.

Private corporations exist by legislative grants, conferring rights and powers for special purposes. Such grants constitute legal contracts, and the legislature cannot impair the obligations of them.

Yarmouth v. North Yarmouth, 34 Me. 411.

The rule, that a grant of privileges is a grant of the necessary incidents to the enjoyment of those privileges, does not apply so as to embrace as incidental privileges what are expressly excepted or forbidden in the grant.

Plummer v. Penobscot Lum. Asso., 67 Me. 363.

Corporations possess such powers, and such only, as the law of their creation confers upon them; and when created by public acts of the legislature, parties dealing with them are chargeable with notice of their powers and the limitations upon them, and cannot plead ignorance in avoidance of the defence of *ultra vires*.

Semble, upon the authorities cited, that in the United States, corporations cannot purchase, or hold, or deal in the stocks of other corporations, unless expressly authorized to do so by law.

Franklin Co. v. Lewiston Institution, 68 Me. 43.

The grant of corporate powers to one person, and his associates and successors, does not require of such person that he should take associates before the act would take effect, or corporate powers be exercised, but confers upon him alone, the powers of the corporation, and his acts, within the grant of powers, become the acts of the corporation.

Penobscot Boom v. Lamson, 16 Me. 224.

All votes and proceedings of persons professing to act in the capacity of corporators, when assembled beyond the bounds of the State, granting the charter of the corporation, are wholly void.

Miller v. Ewer, 27 Me. 509.

Freeman v. Machias W. P. & M. Co., 38 Me. 343.

When the authority given to a corporation is to *boom* lumber and to receive toll therefor, it is not entitled to demand toll for *driving* lumber, that sort of business not being within its corporate powers.

Bangor Boom Corp. v. Whiting, 29 Me. 123.

A corporation empowered to make contracts in writing, are not thereby authorized to confer that power upon one of their officers to contract in their behalf.

Female Orphan Asylum v. Johnson, 43 Me. 180.

If the charter of a corporation be expired, it may be revived in all its original force by the subsequent statute; and this is merely a revival of the former corporation, and not the creation of a new one.

L. & K. Bank v. Richardson, 1 Me. 79.

Where a *new* corporation is formed out of two or more previously existing corporations, and by the act is to "Have the powers, privileges and immunities possessed by each of the corporations" whose union constitutes such new corporation, the new corporation will have

only the privileges, powers and immunities, which the corporation with the fewest privileges, powers and immunities possessed and which were common to all.

State v. M. C. R. R., 66 Me. 488.

Where a corporation organized on the 29th of March, and again on the 4th of June following, and one who became a creditor of such corporation in the intervening time, consented as a stock-holder to the new organization and to have the stock divided anew, and took shares in the new stock; it was held, that such creditor did not thereby forfeit his right to recover his debts against the corporation, if the jury come to the conclusion, that the plaintiff did not thereby intend to surrender, discharge or affect his claim against the corporation by consenting to a new organization of it.

Longley v. Longley Stage Co., 23 Me. 39.

In the absence of proof that a suit brought in the name of a corporation, was not authorized by it, its assent will be presumed, although the corporation is but a nominal party.

Bangor, O. & M. R. R. Co. v. Smith, 47 Me. 34.

The members of a corporation are legally presumed to be citizens of the State, by the laws of which it was created and in which alone it has a legal existence.

Hobbs v. Manhattan Ins. Co., 56 Me. 417.

Where the directors of a corporation had, by vote, authorized the treasurer to procure "A seal for the company, bearing the title of the corporation, with the year of its charter," and scrip issued by the corporation, duly authorized and signed, bore a printed impression of a seal with the title and date inscribed, and contained the words "In testimony of which," "The seal of said company," &c., is "hereunto affixed," such scrip was held to be under the corporate seal, and that an action of covenant broken may be maintained thereon.

Woodman v. Y. & C. R. R., 50 Me. 549.

At common law, "The impression of a seal is not a seal," (see *Mitchell v. Union Life Ins. Co.*, 45 Me. 104), but under the present statutes, bonds issued by a corporation, impressed with a seal, declared on their face to be sealed, and accepted as such by the holders, are deemed to be under the corporate seal.

Ibid.

In an action by a corporation, the defendant cannot take advantage of any abuse or misuse of the corporate powers, not applicable to the question in controversy; or object, that no mode of service, or attachment, or means of redress, or relief, is provided.

Penobscot Boom v. Lamson, 16 Me. 224.

The power of corporations to pass titles to land by vote is anomalous, and limited to the single case of proprietors of land, and as to them rests entirely upon statute grant.

Cury v. Whitney, 48 Me. 516.

Organization.—First Meeting.

SEC. 2. Their first meeting, unless otherwise provided, is to be called by a notice signed by a person named in the act of incorporation, setting forth the time, place, and purpose of the meeting, a copy of which is to be delivered to each member, or published in a newspaper in the county, if any, otherwise in the State paper, seven days before the meeting; but the organization of all existing corporations made in accordance with the provisions of this chapter, or chapter forty-eight, shall be equally valid.

An authority given in the charter, in general terms, to certain persons to call the first meeting of the corporators, does not authorize them to call such meeting, at a place without the State.

Miller v. Ewer, 27 Me. 509.

Where an organization of a corporation was attempted in another State and shares were taken by plaintiff, which were afterward sold by the corporation for non-payment of assessments; and subsequently an organization was completed in this State, and all the prior proceedings were confirmed; held that if the plaintiff, by the new organization, became the lawful owner of the shares, by the same act he was deprived of them and could maintain no action upon them for dividends.

Freeman v. M. W. P. & M. Co., 38 Me. 343.

Meetings.

SEC. 3. When any meeting cannot be otherwise called lawfully, three members of the corporation may make a written application to a justice of the peace where it is established, if local, or if not, where it is desirable to hold the meeting, who may issue his warrant to either of such members, directing him to call a meeting by giving the notice required in the preceding section. When the law requires a publication of notice in some newspaper, or posting of it in some public place, the justice is to designate in his warrant the newspaper or place.

When the subjects to be acted upon at a meeting of proprietors of land, organized into a propriety under the provisions of *stat.* of 1821 *ch.* 43. were enumerated in the applications to a justice of the peace, for the calling of the meeting, and the application was annexed to the warrant, it was held to be as well as if those subjects had been particularly stated in the warrant itself.

Williams Coll. v. Mallett, 12 Me. 398.

Meeting by Consent.

SEC. 4. Where all the members of a corporation are present at a meeting, and sign a written consent on the record thereof, such meeting is legal.

By-Laws. Name how Changed and Effect.

SEC. 5. Corporations may determine by their by-laws, the manner of calling and conducting meetings; the number of members that constitute a quorum; the number of votes to be given by share-holders; the tenure of office of the several officers; the mode of voting by proxy; of selling shares for neglect to pay assessments; and may enforce such by-laws by penalties not

exceeding twenty dollars. A corporation, at a legal meeting of its stock-holders, may vote to change its name and adopt a new one; and when the proceedings of such meeting, certified by the clerk thereof, are returned to the office of the Secretary of State to be recorded by him, the name shall be deemed changed; and the corporation, under its new name, shall have the same rights, powers and privileges, and be subject to the same duties, obligations and liabilities as before, and may sue and be sued by its new name; but no action brought against it by its former name, shall be defeated on that account, but on motion of either party, the new name may be substituted therefor in the action.

A by-law of a corporation, though made in pursuance of an express power to make such laws, must be lawful and reasonable in order to be valid. If contrary to the common law, or to a legislative act it is void.

Kennebec & P. R. R. v. Kendall, 31 Me. 470.

Jay Bridge v. Woodman, 31 Me. 573.

Came v. Brigham 39 Me. 35.

Driscoll v. Lewiston, E. C. S., 59 Me. 474.

The by-laws of a corporation made in pursuance of its charter, are equally binding on all its members and others acquainted with their methods of business, as any public law of the State.

Cummings v. Webster, 43 Me. 192.

The powers of a corporation are derived from the law and its charter. And no by-law of the corporation can enlarge its corporate powers.

Andrews v. Union M. F. Ins. Co., 37 Me. 256.

The by-laws of a corporation, not repugnant to the law of the land, are obligatory.

Came v. Brigham, 39 Me. 35.

Where a power has been given to corporations to collect their assessments on the shares, by the sale of the stock, an inference is not readily drawn, that the Legis-

lature, without any express enactment to that effect, designed to create also a personal liability on the shareholders.

Kennebec & Portland R. R. v. Kendall, 31 Me. 470.

When neither by contract, nor by statute enactment, is there any personal obligation upon a stock-holder to pay for his shares, such obligation cannot be created by any by-law or vote of the corporation. *Ibid.*

A statute authority "To make and collect such assessments on the shares," "As may be deemed expedient in such manner as should be subscribed in their by-laws," does not confer, nor does any statute of the State confer, upon the corporation, the power to create a personal liability upon the stock-holder, to pay for his shares.

Ibid.

A by-law made under such authority, and providing that "If the share of any such delinquent stock-holder shall not sell for a sum sufficient to pay his assessments, with interest and charges of sale, he shall be held liable to the corporation for any deficiency," will not sustain an action for the deficiency.

Ibid.

A valid subscription to the capital stock of an incorporated company is not rendered invalid by a change of its corporate name made in accordance with a legislative act; and the company may sue for and recover the subscriptions under its new name,

Bucksport v. B. R. Co. v. Buck., 68 Me. 81.

Who may Preside at a Meeting called by a Justice.

SEC. 6. When a meeting is called by a justice of the peace, he, or the person to whom his warrant was directed, may call the meeting to order and preside therein, until a clerk is chosen and qualified, if there is no officer present whose duty it is to preside. The person presiding is not responsible for an error in judgment in receiving or rejecting the vote of a person claiming to be a member.

Election of Officers.

SEC. 7. Where a corporation fails to hold its annual meeting on the day appointed, the officers of the preceding year continue in the exercise of their duties, and their acts are legal, until other officers are duly chosen and qualified in their stead. When, upon due notice given, officers are regularly elected on any other day than that of the annual meeting, they are to hold their offices and perform their duties as if chosen on that day, unless a majority of the corporate members file with the clerk, within six months after such election, written objections thereto, and their acts are to be considered legal, until others are chosen and qualified in their stead.

Where there is nothing in the laws of the State, or in the by-laws of the corporation, to limit the continuance in office of its clerk, the one properly chosen remains in office until another is chosen.

South Bay Meadow Dam Co. v. Gray, 30 Me. 547.

Officers duly elected, hold over until other officers are duly chosen in their stead.

Machias Hotel v. Fisher, 56 Me. 321.

Where, by a by-law, the officers of a corporation are to hold office for a year, and until others are chosen in their room, it seems unnecessary to insert in the warrant calling the annual meeting "That officers are to be chosen" although another by-law prescribes that such warrant shall "Specify the business to be transacted."

Sampson v. B. S. M. C., 36 Me. 78.

Where the prescribed officers are elected without such specification in the warrant, and the corporation, by its acts, recognize the existence and authority of such officers, the election will be deemed valid. *Ibid.*

Clerk may call Meeting for Election of Officers.

SEC. 8. Where such a notice is filed, the clerk is to

call a meeting of the corporation, at such time and place as he appoints, and give the notice required for an annual meeting, stating in it the fact that objections have been filed, and the purpose of the meeting; and officers duly elected at such meeting are to hold their offices and their acts are to be considered legal, until other officers are chosen and qualified in their stead.

Clerk's Office and Records.

SEC. 9. Corporations are to keep, at some place within the State, a clerk's office containing their records and books, which, at seasonable hours, are to be open to the inspection of persons interested, who may take copies and minutes therefrom, of such parts as concern their interests, and have them produced in court on trial of an action in which they are interested, when they can be used as evidence.

Clerk's Certificate of Election.

SEC. 10. The clerk of a corporation, within twenty days after acceptance of the office, is to file a certificate of his election in the office of the registry of deeds in the district where the corporation is established, or where it has a place of business, or a general agent; and an attested copy of that certificate is to be sufficient evidence that he is clerk, for services of process upon the corporation, until another certificate has been filed.

It is not essential to the existence of a corporation, or to its right to maintain suits at law, that its clerk should have been sworn, or that he should have filed in the office of the register of deeds a certificate of his appointment.

South Bay Meadow Dam Co., v. Gray, 30 Me. 547.

Hudson v. Carman, 41 Me. 84.

Transfer of Shares.—Certificates.

SEC. 11. When the capital of a corporation is divided into shares, and certificates thereof issued, they may be transferred by endorsement and delivery, but such transfer of shares is not valid, except between the parties thereto, until the same is so entered on the books of the corporation as to exhibit the names and residences of the parties, the number of the shares, and the date of their transfer. Certificates of shares shall be issued to those entitled to them by transfer or otherwise, signed by the president and attested by the cashier, clerk, or treasurer of the corporation. Neither shall sign blanks and leave them for use by the other; nor sign them without knowledge of the apparent title of the person to whom they are issued. In case of the absence or disability of either of said officers, the signature of a majority of the directors in his stead shall be sufficient.

Where the by-laws of a corporation required the transfer of stock to be made by the treasurer, and not by the owner, the treasurer thereby became the agent of the owner for that purpose.

Dodge v. Barnes, 31 Me. 290.

No transfer of a share of the capital stock of bank will secure it from attachment until it is entered on the books of the corporation "Showing the names of the parties, the number of shares and the date of the transfer" according to sec. 11, c. 46, R. S.

Skowhegan Bank v. Cutler, 49 Me. 315.

Fiske v. Carr, 20 Me. 301.

Where the by-laws of a corporation provided that its shares shall be transferable in writing by the holder, "In presence of the cashier or two other witnesses." *Held*, that in order to a valid transfer of stock, the cashier or the witnesses must attest the signature of the holder.

Dane v. Young, 61 Me. 160.

A transfer of shares made in violation of the by-laws of a corporation, is void, and cannot be made valid by ratification. *Ibid.*

Proxies.—Powers of Attorney under them.

SEC. 12. The share-holders may be represented by proxies not granted more than thirty days before the meeting to be set forth therein; and they are not valid after a final adjournment of the meeting. They may be represented by a general power of attorney, to be produced to the meeting, until it is revoked. Shares hypothecated to the corporation are not to be represented. No person can give, by right of representation, a greater number of votes than is allowed to any one by the charter or by-laws.

[When the owner of stock in a corporation has transferred, mortgaged or in any way pledged the same to another, for security merely, and it so appears in such transfer, mortgage or pledge, and on the books of the corporation, such owner shall have the right to vote such stock in all meetings of the stock-holders until his right of redemption ceases.]¹

Preventing use of Records and Books.

SEC. 13. Any officer or member of a corporation, who prevents a person from having access to and use of the records and books as provided in section nine, is liable to all damages occasioned thereby, to be recovered by an action on the case.

Property and Franchise may be taken for Debts.

SEC. 14. The property of any corporation, and the franchise of one having a right to receive a toll established by the State, with its privileges and immunities,

¹ Chap. 69 Public Laws of 1872.

are liable to attachment on mesne process and levy on execution for debts of the corporation in the manner prescribed by law.

Contracts.—Agents.

SEC. 15. Corporations are bound by parol contracts made by an agent authorized by vote or by its by-laws. Contracts may be implied from corporate acts, or from the acts of general agent.

Corporations are subject to the same laws, in respect to the acts of their agents, which are applied to individuals.

Frankfort Bank v. Johnson, 24 Me. 490.

Whenever a corporation is acting within the scope of the legitimate purposes of its institution all parol contracts made with its authorized agents, are express contracts of the corporation.

Trundy v. Farrar, 32 Me. 225.

If the doings of an agent of a corporation are some of them within and some beyond the corporate powers, the corporation may ratify his acts so far as they were within its powers, but no further.

Bangor B. Corp. v. Whitney, 29 Me. 123.

A corporation may sue in its own name on a contract made to an agent for its benefit.

Garland v. Reynolds, 20 Me. 45.

Warren Academy v. Starrett, 15 Me. 443.

Levant Min. & School Fund v. Park, 10 Me. 441.

It would seem that a suit could not be maintained in the name of an agent who has no interest in the contract.

Garland v. Reynolds, *supra*.

A corporation, duly organized and acting within the limits of the State granting the charter, by a vote transmitted elsewhere, or by an agent duly constituted, may act and contract beyond the limits of the State.

Miller v. Ewer, 27 Me. 509.

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An authority, given by the vote of a corporation to sell and convey its real estate, may be reasonably construed to include a right to make a binding contract to convey at a future day.

Augusta Bank v. Hamblet, 35 Me. 491.

It is incumbent on one claiming title under a deed from a corporation, executed by one in the character of an agent, to prove that the corporation, by a legal vote, had authorized such person to make the conveyance.

Miller v. Ewer, 27 Me. 509.

By chap. 91, sec. 14, R. S., "All deeds and contracts executed by an authorized agent for an individual or corporation, either in the name of the principal, by such agent, for the principal, shall be considered the deed or contract of such principal."

Where a corporation makes a contract through an agent, who puts to it a *seal*, it becomes by law the *deed* of the corporation, though it has not their *common seal*. Upon such a contract an action of *assumpsit* cannot be maintained.

Porter v. A. & K. R. R. Co., 37 Me. 349.

As a general rule corporations are not responsible for the unauthorized or unlawful acts of their officers.

Mitchell v. Rockland, 41 Me. 363.

A corporation is not bound by the declaration or acts of individual members thereof, made or done at a time when they were not acting as agents of such corporation.

Poleys v. Ocean Ins. Co., 14 Me. 141.

Ruby v. Abyssinian Society, 15 Me. 306.

Hersey v. Veazie, 24 Me. 9.

A contract is not valid, made by the *minority* of a committee of a corporation and not assented to by a majority, nor by the corporation.

Trott v. Warren, 11 Me. 227.

Cram v. The Bangor House, 12 Me. 354.

A promise may be implied on the part of a corporation

from the acts of a general agent whose powers are of a general character, .

Abbott v. Hermon, 7 Me. 118.

If the cashier of a bank enters into a contract in behalf of the corporation, without authority for the purpose, and the bank claims the benefit of the contract, it is thereby ratified by the corporation.

Medomak Bank v. Curtis, 24 Me. 36.

Sawyer v. Winnegance Mill Co., 26 Me. 122.

The acceptance of a draft by the treasurer of a corporation, without evidence of authority, does not render the corporation liable thereon.

Atkinson v. St. Croix Man. Co., 24 Me. 171.

An agent lawfully authorized to "Purchase stock and make sales for the corporation, to hire and discharge help, and manage the concern of the corporation, being subject at all times to the direction of the board of directors gives sufficiently extensive power to embrace all transactions necessary for the management of them in the usual manner."

Whitney v. South Paris M. Co., 39 Me. 316.

An agent lawfully authorized to raise money and create liability on the part of an incorporated company, may also waive demand and notice on a note indorsed by such company, and this too after the note has been negotiated.

Ibid.

Such agent may waive demand and notice to procure a day of payment of the note and bind his principal, although in procuring delay he may also be the agent of the maker.

Ibid.

Nor will the fact that he agreed to pay more than the legal rate of interest for such delay, prevent a recovery against the company upon their indorsement of the amount legally due.

Ibid.

Where the treasurer of a corporation was authorized by vote to hire money on such terms and conditions as as he might think most conclusive to the interests of

the company to meet certain acceptances by the defendant of the drafts of the company on him—it was held, that by this vote authority to raise money was given, and to indorse drafts drawn by himself to accomplish that object; and that the acceptance of such draft by the defendant, of the directors, who was present at the meeting when such vote was passed, and who was thereby to be benefitted, precluded him from disputing the authority of the corporation to pass such vote.

Belknap v. Davis, 19 Me. 455.

If an incorporated company, by their agent, draw a bill upon the company, their treasurer, and endorse the same, a demand upon him, and his refusal to make payment, have the effect against the company, of demand and notice, to charge them, as endorsers.

Commercial Bank v. St. Croix Man. Co., 23 Me. 280.

If the agent of an incorporated company be authorized to issue negotiable paper, indorees, not privy to its origin, would not be bound to examine into the transaction, from which the note or draft originated, but would have a right to presume it was drawn in pursuance of authority.

Ibid.

Proof that a person was agent of an incorporated company, and had charge of the business and property of the company at a certain place, is not, alone, sufficient evidence, that such person was authorized to draw a bill or note, in behalf of the company.

Atkinson v. St. Croix M. Co., 24 Me. 171.

An agent of a corporation may have authority to transfer a note by indorsement, but no authority to bind the corporation as indorser. The authority of an agent of a corporation to indorse a note may be shown by other evidence than the by-laws.

Brown v. Donnell, 49 Me. 421.

The authority of an agent to act for a corporation, need not be proved by record or writing but may be presumed from acts and the general course of business.

Me. Stage Co. v. Longley, 14 Me. 444.

Warren v. Ocean Ins. Co., 16 Me. 439.

Badger v. Bank of Cumberland, 26 Me. 428.

Where a corporation brings a bill in equity, and alleges therein that certain acts were done by committees thereof, whereby a resulting trust in certain land conveyed to a third party, was raised in favor of the corporation, it cannot prove the authority of the committees to act therefor by parol evidence; their power to act can be shown only by its records.

Methodist Chapel v. Herrick, 25 Me. 354.

Foreign Corporations.¹

SEC. 16. Corporations existing by the laws of another State or of a foreign jurisdiction, may sue or be sued by their corporate name in this State; and if they have property in this State it may be attached and appraised and set off on execution, as the property of non-resident individuals. The acts of their agents are to have the same effect as the acts of agents of foreign private persons, unless prohibited by law.

An action may be maintained in the courts of this State, against a corporation established by the Legislature of another State.

Williams v. N. E. M. Fire Ins. Co., 29 Me. 465.

In such action jurisdiction is conferred upon the courts of this State, in behalf of a citizen of this State, by an attachment of defendant's property under our trustee process.

Ibid.

Private corporations, existing, by the laws of other States, have power to sue, in their corporate name, in this State; but their existence must be proved, by satisfactory evidence, like any other material facts.

Savage v. M. Co. Armstrong, 17 Me 34.

The judgment of another State, decreeing a dissolution, and appointing receivers to wind up the concerns of a corporation created by its laws, will not prevent an action commenced against such corporation here, prior to such dissolution, from proceeding to judgment, unless it be shown that the corporation is utterly extinct.

¹As amended by chap. 203, Public Laws of 1880.

It is not sufficient to show that, by the law and usage in the court of the State where such decree of dissolution is passed, such corporation is permanently dissolved, although it still has a qualified existence, capable of being a party to a judgment there.

The legal authority of receivers, duly appointed in another State, is co-extensive with the jurisdiction of the court by which they were appointed.

Comity does not require the S. J. Court of this State to permit receivers appointed by the court of another State to exercise privileges detrimental to our own citizens, while pursuing appropriate legal remedies here.

Hunt v. Columbian Ins. Co., 55 Me., 290.

Powers of the Legislature.

SEC. 17. Acts of incorporation, passed since March seventeen, eighteen hundred and thirty-one, are liable to be amended, altered, or repealed, by the legislature, as if express provision therefor were made in them, unless they contain an express limitation. This is not to deprive the judicial courts of any power which they have at common law over a corporation or its officers.

The dissolution of a corporation can take place only, either by an act of the Legislature, when as in this State, power is reserved for that purpose, or by a surrender of the charter which is accepted, or by a loss of all its members, or of an integral part, so that the exercise of corporate powers cannot be restored; or by forfeiture, which must be declared by judgment of court.

Penobscot Boom Cor. v. Lamson, 16 Me. 224.

Hodsdon v. Copeland, 16 Me., 314.

The general law of 1831. chap. 503, by which the State reserves to itself the right to amend, alter or repeal all acts of incorporation subsequent to its passage, has been retained in all the revisions of the statutes, is in full force, and applies to all subsequent corporations, whether organized under general or special laws.

State v. Maine Central R. R., 66 Me. 488.

If the charter of a corporation be legally repealed by the legislature, as it respects that corporation, in accordance with a provision in the charter reserving that right on a certain contingency, a creditor of the corporation can interpose no valid objection to the constitutional power of the legislature, on the ground that such act would prevent the prosecution of the remedy of the creditor to collect his demand, by a suit against the corporation, then pending, where property had been attached.

Read v. Frankfort Bank, 23 Me. 318.

Although a charter granted to a corporation is a contract between it and the State, the obligations of which can not be impaired by subsequent legislation, corporations, like natural persons, are subject to remedial legislation, and amenable to general laws.

Coffin v. Rich, 45 Me. 507.

Read v. Frankfort Bank, *supra*.

The legislature may incorporate a new and distinct corporation out of two or more previously existing corporations.

And when a corporation is so formed, and by the act is to "have the powers, privileges and immunities possessed by each of the corporations," whose union constitutes such new corporation, the new corporation will have only the privileges, powers and immunities, which the corporation with the fewest privileges, powers and immunities possessed and which were common to all.

State v. Maine Central R. R., 60 Me. 488.

Dissolution,—Existence for Certain Purposes.

SEC. 18. Corporations, whose charters expire or are otherwise terminated, are to have a corporate existence for three years thereafter; to prosecute and defend suits; to settle and close their concerns; to dispose of their property; and to divide their capitals.

See Hunt v. Columbian Ins. Co., *supra*.

A corporation is not dissolved by ceasing to exercise

its powers. Nor because its stock holders and directors may consider it to be defunct.

Rollins v. Clay, 33 Me. 132.

Proprietors Baptist House v. Webb, 66 Me. 398.

Prior to the expiration of a corporation charter it is competent for the legislature to provide that actions may, after the charter has expired, be commenced and prosecuted in the name of the corporation for the benefit of the former stockholders.

Franklin Bank v. Cooper, 36 Me. 179.

The dissolution of a corporation, by an act of the legislature, deprives it of its corporate existence.

Merrill v. Suffolk Bank, 81 Me. 57.

Trustees and their Powers.

SEC. 19. When the charter of a corporation expires or is terminated, a creditor or stockholder may apply to the supreme judicial court, which may appoint one or more trustees to take charge of its estate and effects, with power to collect its debts, prosecute and defend suits at law; and to sell and convey its real estate; and if sold at auction, the same notice shall be given as in the sale of lands of corporations on execution. The court has jurisdiction in equity of all proceedings therein, and may make such orders and decrees, and issue such injunctions as are necessary.

Debts and Assets.

SEC. 20. The debts of the corporation are to be paid in full by such trustees, when the funds are sufficient; when not, ratably to those creditors, who prove their debts, as the law provides, or as the court directs. Any balance remaining to, is to be distributed among the stockholders or their legal representatives in proportion to their interests.

Dividends—Or Treasurer's Returns for Taxation. 1

SEC. 21. Cashiers of banks, and clerks or treasurers of other corporations shall ascertain the residences of all stockholders in either; and no dividend shall be paid to any stockholders in either, whose residence, for the time being, is not entered on the books thereof; and the cashiers of banks and clerks or treasurers of all corporations holding property liable to be taxed, within seven days after the first day of April annually, are to return under oath, to the assessors of a town, in which any of its stock holders reside, the names of such stockholders, the amount of stock owned by them on the first day of April, and the amount of stock paid into such corporations, and such returns shall contain in the body thereof, or by note annexed thereto, an abstract of section thirty-four of chapter six of the Revised Statutes as amended; such returns are to be the basis of taxation on such property.¹

The funds of a corporation, whenever they accrued, are to be distributed among such as are its stockholders when the dividend is declared.

Goodwin v. Hardy, 57 Me. 143.

Returns to the Secretary of State.³

SEC. 22. Such cashiers and clerks or treasurers, within seven days after the first day of December annually, are to make return to the Secretary of State of the names of all the stock holders, their residence, the amount of stock owned by each and the whole amount of stock paid in. The secretary is to lay the same be-

¹ As amended by chap. 16, Public Laws of 1872, and chap. 149, Public Laws of 1879.

² For form of returns, sec. 34, chap. 6, R. S. See under Forms, *infra*.

³ As amended by chap. 16, Public Laws of 1872.

fore the legislature within the first thirty days of its session.

Penalty for Failure to make Returns.

SEC. 23 A deposit of the return required in the two preceding sections in a post office, postage paid, properly directed, is to be deemed a compliance. For the neglect or refusal of its officer to make such return, the corporation forfeits five hundred dollars, to be recovered in an action of debt, one half to the use of the prosecutor and the other to the state; but no such action shall be maintained against a manufacturing corporation, unless such neglect or refusal of the clerk was willful and for the purpose of concealment.

Liability of Stockholders.¹

SEC. 24. The stockholders of all corporations created by the legislature, after the sixteenth day of February, eighteen hundred and thirty-six, excepting banking corporations, unless it is otherwise specified in their charter, or by any general law of the State, shall be liable for the debts of the corporation contracted during their ownership of such stock, prior to the first day of June, eighteen hundred and fifty-seven, in case of deficiency of attachable corporate property, to the amount of their stock and no more; and such liability shall continue, notwithstanding any subsequent transfer of such stock, one year after such transfer is recorded on the corporation books; but no stockholder whose stock has been fully paid in, and no part of the principal has been withdrawn, shall be so liable for debts contracted after said first day of June; but in the latter case, when an officer certifies on an execution against a corporation, that he

¹See chap. 205 Public Laws of 1871 as amended, fixing the liability of stockholders in corporations. *Infra.* 36

cannot find corporate property to satisfy it, each stockholder's stock and interest in stock may be seized and sold thereon as on execution against him; and he may recover of the corporation the value of the stock or interest so taken as provided in section thirty-one.

The private property of stockholders, in corporations created after *February 16, 1836*, excepting banking corporations, *is not made subject to an attachment on a writ against the corporation.* The creditor must obtain *judgment against the corporation*, before he can have his remedy against stockholders.

Drinkwater v. Portland Marine Railway, 18 Me. 35.

By Stat. 1836, c. 200, sec. 3, corporators are made individually liable to the extent of their stock upon failure to obtain satisfaction from the corporation property, for debts against the corporation existing at the time of the judgment, although the debts were contracted before they became stockholders.

Longley v. Little, 26 Me. 162.

The acts passed subsequently to that of February 16, 1836, continued the liability of stockholders, but modified the remedy in some respects.

Hathorn v. Calef, 53 Me. 471.

The R. S. 1846, c. 76, sec. 18, makes a stockholder liable, only for debts of the corporation, contracted during his ownership of such stock.

Longley v. Little, supra.

The Act of 1851, chap. 210, relating to the liability of stockholders for corporation debts was merely prospective.

Grose v. Hilt., 36 Me. 22.

The stockholders of a corporation, for an unsatisfied judgment against it, are liable to such judgment creditor, although he is an *assignee* of the debt against it.

Came v. Brigham, 39 Me. 35.

The stockholder is only liable for the amount of his stock without interest thereon.

Cole v. Butler, 43 Me. 401.

But the judgment against him may include the costs of suit, in addition to the amount of his stock.

Grose v. Hill, *supra*.

Cole v. Butler, *supra*.

Under chap. 76, sections 18, 19 and 20. Revised Statutes of 1841, the obligation of a stockholder to pay the corporation debts is made to depend upon the officer's certificate upon execution, that he could not find corporate property.

Grose v. Hill, *supra*.

The fund arising from the individual liability of the stockholder belongs to the first creditors of the corporation, who establish their rights to it by proceedings which terminate in fixing the liability.

Ingalls v. Cole, 47 Me. 530.

The facts, that a creditor has acquired such priority of right, or that suits have been instituted and are pending on such prior claims, are not a sufficient defence to a suit by another creditor, without evidence that the liability of the stockholder has been legally established without fraud, to an amount which *exhausts* it. *Ibid*.

A corporation creditor who first moves in conformity to law, acquires a *priority* of right to recover against a stockholder, under the provisions of the R. S. of 1841, c. 76, secs. 18, 19 and 20, into which no other creditor subsequently moving, can rightfully interfere.

Cole v. Butler, 43 Me. 401.

Nor can the rights of the first be affected, although the second may, by pursuing the shorter remedy, first obtain satisfaction of his judgment. *Ibid*.

Any payment made to such subsequently moving creditor, by such stockholder must be regarded as a payment in his own wrong. *Ibid*.

The by-laws of a corporation require that transfers of shares in its capital stock should be "noted and subscribed in a book, kept for that purpose;" *held*, that the sale of a stockholder's shares would not exonerate him from individual liability upon corporation debts, contracted *prior* to the time of noting and subscribing the sale upon the transfer book.

Fowler v. Ludwig, 34 Me. 455.

Under the statutes in force in July, 1841, the books of a corporation, so far as creditors were concerned, were to be deemed conclusive evidence as to who were, and who were not to be considered as stockholders. Parol evidence, therefore, was inadmissible, to show that a person had ceased to be a stockholder.

Stanley v. Stanley, 26 Me. 191.

The corporation records are competent to show its corporators, in the absence of countervailing evidence.

Penobscot R. R. Co. v. Dummer, 40 Me. 172.

Penobscot R. R. Co. v. White, 41 Me. 512.

Coffin v. Collins, 17 Me. 440.

A judgment against a corporation is binding upon the stockholders till reversed, and is conclusive upon them in a subsequent action against them, by the same plaintiff.

Milliken v. Whitehouse, 49 Me. 527.

When the debt of a corporation is settled by its negotiable note, and that note, when due, is taken up by another note, and nothing appears to show the intention of the parties, the date of the second note must be treated as the time when the indebtedness of the corporation accrued, so far as relates to the liabilities of its stockholders.

Ibid.

The legislature has power so to modify and change existing laws as to affect the liabilities of stock holders for the debts of the corporation, having a due regard to the existing contracts and making such modifications prospective.

Hathorn v. Calef, 53 Me. 471.

Although a charter granted to a corporation is a contract between it and the State, the obligations of which cannot be impaired by subsequent legislation, corporations like natural persons, are subject to remedial legislation, and amenable to general laws.

A statute providing that stockholders in corporations shall be personally liable for the corporate debts is constitutional and valid, so far as applies to such debts subsequently contracted.

But there being no privity of contract between the creditors of corporations and the individual members, they are personally liable only by express provision of statute; and the repeal of such a statute does not impair the obligation of any contract.

Coffin v. Rich, 45 Me. 507.

3 / All creditors whether so originally, or by indorsement or assignment, are within the beneficial provisions of chap. 76. Rev. Statutes of 1841.

Came v. Brigham, 19 Me. 33.

The facts necessary to render a stockholder liable may as well be ascertained, and certified upon the second execution as the first.

Whitney v. Hammond, 44 Me. 305.

A return by the officer that he "cannot find corporate property," etc., is all that is required by Rev. Statutes of 1841, chap. 76, section 18.

Hathorn v. Calef, 53 Me. 471.

And a certificate that he "made diligent search," before his return, is a sufficient compliance with the provision that he must "first ascertain." *Ibid.*

The returns of officers should be explicit, and contain all that is requisite to enable them to justify their doings. They are bound so to express themselves as to be intelligible; and must so express all that is essential. They are not, however, expected to use technical language with technical precision.

Stanley v. Stanley, 26 Me. 191.

Where an officer, under the provisions of the statute, 1836, chap. 200, returned that he could find no corporate *property* wherewith to satisfy the execution, instead of using the words of the statute, "*Corporate property or estate*," it was held to be sufficient. *Ibid.*

It seems there is no distinction in respect to their liability, between a subscriber for stock and a stockholder; however this may be, an actual payment of assessments, upon shares subscribed for, will create such liability.

Frost v. Walker, 60 Me. 468.

Stockholder to show Property.

SEC. 25. At any time within six months after the return of an execution against a corporation, recovered on a debt for which any stockholder is liable under the preceding section, unsatisfied in whole or in part for want of attachable property of the corporation, the plaintiff in such execution may make demand of any stockholder of such corporation to disclose, and show attachable property of such corporation sufficient to satisfy the execution.

If, upon demand, the stockholder declines to disclose corporate property, and gives no intimation of his future intention to do so, or, if he did, where the property would be situated, it would not be unreasonable for the creditor to return home; since, if the officer remained, the stockholder might show the property disclosed to him, whether he retained the execution or not.

Hathorn v. Calf, 53 Me. 471.

In R. S. chap. 46, sec. 25, the phrase "return of an execution" means return upon an execution.

Such return may be made whenever, within the life of the execution, the facts will warrant it.

Lovegrove v. Brown, 60 Me. 592.

The six months mentioned in sec. 25 begin whenever the officer makes such return, and end before the expir-

ation of six months from the date of the rendition of the judgment against the corporation. *Ibid.*

Hence to enable an execution creditor of a corporation to recover any part of his debt of a stockholder individually liable therefor, R. S. of 1857, chap. 46, sections 25 and 26 required:

1. That the officer holding the creditor's execution against the corporation make a return thereon, that it is unsatisfied in whole or in part for want of attachable property of the corporation.

2. That within six months after such return is made, and before the expiration of six months after the date of the rendition of judgment against the corporation, the creditor made demand of the stockholder to disclose and show to the officer having such execution, attachable property of such corporation sufficient to satisfy the execution.

3. That after such demand and within six months after the date of the rendition of judgment against the corporation, to sue the stockholder in case. *Ibid.*

If, when the notice of the "creditor's intention" is given, the execution with the officer's return thereon be shown the stockholder, the latter thereby receives a sufficient evidence of the "Amount of the debt or deficiency."

Hathorne v. Calef, 53 Me. 471.

If both demand and notice be made at the same time, and forty-eight hours before suit, the statute requirement is satisfied. *Ibid.*

The officer need not necessarily retain the execution, neither need the creditor remain near during the forty-eight hours next after demand; it is only necessary that the conduct of the creditor should not be such as to interfere with the stockholder's right to relieve himself by disclosing corporate property within the time allowed. *Ibid.*

If the stockholder had disclosed property, after the

return home of the creditor, and the latter had not been in condition to receive it, he alone would have been the loser.

Ibid.

Creditor's Remedy against Stockholders.

SEC. 26. After demand as aforesaid, the execution creditor may have an action of the case against such stockholder, to recover of him individually the amount of his execution and costs, or the deficiency thereof, not exceeding the amount for which said stockholder is liable by section twenty-four. Such action must be commenced within six months after the date of the rendition of judgment against the corporation.

See Lovegrove v. Brown, supra.

In an action against the stockholder the organization and existence of the corporation must be proved, if denied. The judgment obtained is not conclusive evidence of these facts.

Hudson v. Carman, 41 Me. 84.

By sec. 3. chap. 271, of the Public Laws of 1856, (Revised Statutes, chap. 46, sec. 26,) the remedy of a creditor of a corporation against a stockholder therein was by an "action of the case" to be commenced within six months after the rendition of judgment against the corporation.

Cummings v. Maxwell, 45 Me. 190.

The right of the creditor against any of the individual stockholders is not vested until he recovers his judgment against them.

Coffin v. Rich, 45 Me. 507.

The limitation in sec. 19, chap. 76, R. S. 1841, of the liability of a stockholder in a corporation for corporate debts to "the term of six months after judgment recovered against such corporation in any suit commenced within the year aforesaid," applies only to suits against

stockholders whose stock has been transferred, and the transfer recorded and not to the case of stockholders who have never parted with their stock.

Ingalls v. Cole, 47 Me. 530.

A corporation, being indebted to the amount of seventy-five per cent. of its capital stock, voted, that each stockholder should pay the treasurer that proportion, in order to discharge the debts. The plaintiff and defendant were both stock-holders. Though many failed to make such payment, the defendant paid to the treasurer one hundred per cent. But, as the vote contained no stipulation that a stockholder, on making the payment as voted, should be released from the claims of creditors; *held*, that the plaintiff being a creditor of the corporation, was not barred by his concurring in the vote, from recovering against the defendant.

Fowler v. Robinson, 31 Me. 189.

Before the existence of such execution and certificate, payments made by a stockholder upon any debt of the corporation, though it might give him a claim against the corporation, will constitute no defence to a suit by a judgment creditor, upon whose execution the prescribed certificate has been made.

Grose v. Hilt, 36 Me. 22.

In an action against a stockholder, for the neglect of the corporation to pay a judgment against them, *he* cannot interpose the defence, that there was a variance in the original suit between the proof and the declaration. It is enough that the record shows a good cause of action, and that no such objection was made by the corporation.

Came v. Brigham, 39 Me. 35.

Nor can the defendant protect himself by proof that he has paid to the corporation, the whole amount to which the statute made him liable (being one hundred per cent. upon his stock) towards aiding in the payment of the corporation debts.

Fowler v. Robinson, 31 Me. 189.

Grose v. Hilt., *supra*.

The cause of action against individual corporators, does not accrue, until a failure to obtain the amount of the judgment against the corporation, from the corporate property by a due course of proceedings for that purpose.

Longley v. Little, 26 Me. 162.

And such action may be commenced as soon as the officer shall ascertain and certify upon the execution that he cannot find corporate property or estate, and before the return day of the execution.

Whitney v. Hammond, 44 Me. 305.

Where an officer having an execution against a corporation, has notified a stockholder of his intention to levy on his individual property, unless he shows him corporate property to satisfy the debt, the creditor or officer need not give a further and distinct notice of an intention to commence an action before instituting a suit.

Ingalls v. Cole, 47 Me. 530.

Stockholders may Set off Claims.

SEC. 27. In such action, said stockholder may prove, in reduction of his liability, the amount of corporation debts which he has previously paid, and which has not been repaid to him by the corporations; also any debt, due him from the corporation, for which he, at the time, might maintain an action at law against it; and may show any other legal cause why judgment should not be rendered against him.

A member of a corporation, as such, cannot make himself a creditor of the corporation, by the payment of its debts,

Blanchard v. First Asso. of S., 59 Me. 202.

Whether a stockholder may make payment, in good faith, to creditors who have first fixed his liability by the necessary steps, to an amount sufficient to exhaust the fund, without levy or suit brought, *quarre*.

Ingalls v. Cole, 47 Me. 530.

See also Cole v. Butler, 43 Me. 401.

Record of Stockholder's Claims.

SEC. 28. The treasurer of every such corporation shall keep a full record of all claims in favor of its stockholders against the corporation, and exhibit the same with a particular statement of the financial condition of the corporation to any creditor thereof, when requested by him, and on failure to exhibit such statement the stockholders shall not be entitled, in actions against them, to show previous payments on account of the corporation in reduction of their liability, but if they suffer damages by reason of being thus deprived of their defence, they may have a remedy upon the bond of the treasurer.

The treasurer's certificate of a payment made by a stockholder towards corporation debts, is explainable by parol, especially to show the time of the payment, if in that respect the certificate be silent.

Grose v. Hilt, 36 Me. 22.

Clerk to furnish Names to Officer.

SEC. 29. The clerk of every such corporation, on demand of any officer legally holding any execution against it, shall furnish the officer with the names, place of residence, so far as known to him, and the amount for which every person is liable as aforesaid.

Stockholder's Liability since March, 17, 1831.¹

SEC. 30. The stockholders of corporations, excepting those created for literary, benevolent, and banking purposes, incorporated since March seventeen, eighteen hundred and thirty-one, are subject, as it regards debts of the corporation, to the liabilities imposed on stockholders by the twenty-fourth section of this chapter, ex-

¹See chap. 205, Public Laws of 1871, as amended. *Infra.* 36

cept for stock owned before April, twenty-four, eighteen hundred and thirty-nine, and for stock held as executor, administrator, guardian or trustee.

The legislature had the constitutional power, as by the statute, 1839, chap. 400, sec. 3; to make the stockholders of a corporation, created in 1833, personally liable to the amount of their stock for debts of the corporation, contracted while they were stockholders, after the last act went into operation.

It is competent for the legislature, by an act passed for that purpose, to cause the private property of stockholders in a corporation, to be made liable to be taken on executions against their corporations.

Stanley v. Stanley, 27 Me. 191.

R. S. of 1841, chap. 76, sec. 18, was repealed by chap. 169, of the P. L. of 1855 and it seems by this repeal sec. 30 of chap. 76, of 1841 is rendered ineffectual.

Milliken v. Whitehouse, 49 Me. 527.

Stockholder may Recover.

SEC. 31. When members of a corporation are liable for its debts, or on account of any acts of its officers or members, or to contribute for money paid on account of such debts or acts, the amount due may be recovered by an action at law, or a bill in equity; and the court may make such orders and decrees as are necessary.

The by-laws of a corporation authorized its directors to manage all its prudential concerns, and the directors, by a document signed by them in that capacity, certified that the plaintiff had previously advanced a specified sum for the corporation, which sum with its interest was still due to him; *held*, that upon such certificate an action may be maintained against the corporation.

Sampson v. Bowdoinham S. Mills, 36 Me. 78.

Officer may Sell Real Estate.

SEC. 32. When an officer, having an execution against a corporation not created for purposes of educa-

tion or religion, certifies thereon that he is unable to find personal property of the corporation, the creditor may choose so much of its real estate to be seized and sold at public auction, in the town where it lies, in the manner that the real estate of banks is sold, and subject to the same right of redemption, as is necessary to satisfy such execution and incidental charges.

Capital cannot be Divided.¹

SEC. 33. Corporations, not created for literary, benevolent, or banking purposes, are not allowed to divide any of their corporate property so as to reduce their stock below its par value, until all debts are paid, and then for the purpose of closing its concerns.

¹See *Driscoll v. Lewiston Co.*, 59 Me., 474.

Judgment Creditor may file Bill in Equity.

SEC. 34. When such a corporation has unlawfully made a division of any of its property, or has property which cannot be attached, or is not by law attachable, any judgment creditor may file a bill in equity in the supreme judicial court, setting forth the facts, and the names of such persons as are alleged to have possession of any such property, or choses in action, either before or after division; names of defendants may be struck out or added by leave of court; costs awarded at discretion, and service made on the defendants named, as in other equity suits. They are, in answer thereto, to disclose on oath all facts within their knowledge relating to such property in their hands, or received by a division among stockholders. When any one of them has the custody of the records of the corporation, he is to produce them and make extracts therefrom and annex to his answer, as the court directs.

Proceedings, &c.

SEC. 35. The court is to determine, with or without a

jury, whether the allegations in the bill are sustained, and it may decree, that any such property shall be paid to such creditor in satisfaction of his judgment, and cause such decree to be enforced as in other chancery cases. Any question arising may, at the election of either party, be submitted to the decision of a jury under the direction of the court.

On Dissolution.¹

SEC. 36. When a corporation is dissolved, its real and personal estate is vested in the individuals, who were at the time shareholders, as tenants in common according to their interests.

If a corporation assent to a sale of its property by one of its members, and to a distribution of the proceeds of sale, among the shareholders, each may recover his proportion thereof, in an action against the holder of the money.

Hodsdon v. Copeland, 16 Me. 314.

When the directors of a bank, just before the expiration of its charter, transfer property to trustees for the benefit of the stockholders, all interest which the corporation had in the property terminates, the legal interest rests in the trustees, and the beneficial interest in the stockholders.

Stevens v Hill, 29 Me., 133.

¹ On Dissolution see Page 41.

[*Acts additional to chap. 46, R. S. 1871.*]

LIABILITY OF STOCKHOLDERS.¹

Capital Stock Security for Creditors. Payment of Subscription.

SEC. 1. The capital stock subscribed for any corporation is declared to be and stands for the security of all creditors thereof: and no payment upon any subscription or agreement to or for the capital stock of any corporation, shall be deemed a payment within the purview of this act, unless *bona-fide* made in cash, or in some other matter or thing at a *bona-fide* and fair valuation thereof.

Withdrawal of Capital Stock void in Certain Cases.

SEC. 2. Hereafter no dividend declared by any corporation from the capital stock or in violation of any statute, no withdrawal of any portion of the capital stock thereof, directly or indirectly, no cancellation or surrender of any stock, and no transfer of any stock in any form to the corporation which issued the same, shall be valid as against any person who may hereafter have a lawful and *bona-fide* judgment against said corporation, based upon any future claim in tort or contract or for any penalty, or as against any receivers, trustees

¹Chap. 205, Laws of 1871.

Proceedings.

or other persons appointed to close up the affairs of any corporation which is or may be insolvent.

SEC. 3. Any person having such judgment, or any such trustees, receivers or other persons appointed to close up the affairs of any corporation which is or may be insolvent, may, within two years after their right of action given by this statute accrues, commence an action of the case or bill in equity, without demand or other previous formalities, against any person or persons, if a bill in equity jointly or severally, otherwise severally, who have subscribed for or agreed to take stock in the said corporation and have not paid for the same; or who have received dividends declared from the capital stock, or in violation of any statute; or who has withdrawn any portion of the capital stock, or cancelled and surrendered any of his stock, and received any valuable consideration therefor from the corporation, except its own stock or obligation for its own stock; or who has transferred any of his stock to the corporation as collateral security or otherwise, and received any valuable consideration therefor as aforesaid; and in such action may recover the amount of the capital stock so remaining unpaid or withdrawn, not exceeding the amounts of said judgments or the deficiency of the assets of such insolvent corporation, [but no stockholder shall be liable for the debts of the corporation not contracted during his ownership of such unpaid stock, nor for any mortgage debt of said corporation, and no action for the recovery of the amounts mentioned in this section and act shall be maintained against a stockholder, unless proceedings to obtain judgment against the corporation shall be commenced during the ownership of such stock, or within

one year after its transfer by such stockholder is recorded on the corporation books.]¹

What may be Proved by Defendant.

SEC. 4. Any one of the defendants in any such suit may prove that he has already in good faith paid by himself or through any other person who has assumed his stock or subscription, to any person holding a *bona-fide* judgment, or to any such trustee or receiver or other such person duly authorized, or to the corporation itself, the whole or any part of amount or amounts for which he would be liable under this act; or that he has already been in good faith and without collusion sued for, and is still in peril of being compelled to pay, such amount or amounts in whole or part, to some other person, in which latter case the suit may be continued to await, on payment of defendant's costs from term to term; or he may prove that the amounts illegally received by him from said corporation were received more than two years before the claim or claims arose on which such judgment was obtained, or if the suit is by trustees, receivers or other such person, more than two years before the commencement of the legal proceeding by virtue of which such corporation passed into the hands of trustees or receivers; or he may prove the invalidity of such judgment in any particular which could avail the corporation on a writ of error, or that said judgment was not *bona-fide*; or he may prove that he has *bona-fide* claim or claims in contract or tort, several or joint with other persons, against said corporation, absolute or contingent, or which could be availed of by set-off in court or on ex-

¹As amended by chap. 121, Public Laws of 1873. Sec. 2, of same act provides that it shall not affect any suits now pending against such stockholders.

ecution, for the whole or any part of the amount or amounts for which he would be liable under this act; or in case his stock was transferred to such corporation as collateral security or as payment, he may either prove that the same was so transferred in good faith as security or payment for, or of, an anterior liability incurred without any concurrent agreement for the transfer of such stock, and for which the corporation was unable to obtain other sufficient security or payment, or in such case he may prove that whatever sum was received thereon, has been in whole or part repaid to such corporation. The proof of any of such matters shall constitute a defence as to such defendant in whole or in part as the case may be.

Stockholder's Liability.

SEC. 5. No stockholder in any corporation in this state, except in banks, shall hereafter be liable for the debts of or claims against said corporation beyond any amount or amounts withdrawn or not paid in as aforesaid; but this act shall not affect liabilities of any officer of any corporation.

Pending Actions not Affected.

SEC. 6. Nothing herein contained shall be construed to affect any liability of any person or corporation or remedy therefor existing when this act takes effect.

REDUCTION OF CAPITAL STOCK.¹

Reduction of Stock.

SEC. 1. Whenever the assets of any corporation have

¹Chap. 16, Public Laws of 1878.

been diminished by losses or depreciation of property, so that its capital is impaired, such corporation, at any meeting of the stockholders legally called therefor, with the consent expressed at such meeting or at any adjournment thereof, of not less than two-thirds in amount of all the outstanding stock of said corporation, may reduce the outstanding stock to the extent of such impairment, and thereupon the par value of all shares issued or to be issued shall be reduced proportionally.

Remedy for Stockholders.

Sec. 2. Within thirty days after such reduction is made, any stockholder, who has not agreed thereto, may file a bill in equity in any county in which said corporation has an established place of business, or held the last stockholders' meeting, for a revision of the proceedings of the corporation in making said reduction, upon which such proceedings may be annulled or modified, so that such reduction shall not exceed the actual impairment of capital. The action of the court, or, if no bill is filed as aforesaid, the action of the corporation, as provided in the first section, shall be conclusive upon all parties, whether stockholders or creditors, and such reduction shall not create any personal liability whatever of any stockholder or officer of such corporation.

Copy of Proceedings to be Filed with the Secretary of State.

SEC. 3. The clerk or secretary of said corporation shall file with the secretary of state a certified copy of such proceedings, within thirty days after they are taken, or suffer a penalty of one thousand dollars, to be recovered by an action of debt in favor of any existing or future creditor of such corporation first suing therefor in any court or county in which a transitory action between the same parties can lawfully be brought.

Corporation may Issue New Shares.

SEC. 4. Simultaneously with or after such reduction of stock of any corporation, such corporation may from time to time authorize the issue of new shares of stock, of the reduced par value, until the gross capital shall equal the capital authorized by the charter or articles of association of said corporation before such reduction was made, although the new shares should increase the whole issue of shares beyond the number of shares authorized by such charter or articles of association.

LIMITATION OF ACTS OF INCORPORATION.¹

All acts of corporation hereafter granted by the legislature shall be null and void in four years from the day when the same takes effect, unless such corporation shall have organized and commenced actual business under their charters.

DISSOLUTION OF CORPORATIONS.²**Proceedings.**

SEC. 1. Except where otherwise provided by statute, whenever at any meeting of the stockholders of any corporation, legally called therefor, such stockholders may vote, or have voted, to dissolve such corporation, a bill in equity against said corporation for dissolution thereof,

¹Chap. 185, Public Laws of 1871.

²Chap. 154, Public Laws of 1877.

may be filed by any officer, stockholder or creditor of said corporation in the supreme judicial court, in the county in which said corporation has an established place of business, or in the county in which it held its last stockholders' meeting, upon which bill, notice shall be given as may be ordered by any justice of said court, in term time or vacation, upon proof of which notice, such proceedings may be had according to the usual course of suits in equity, that said corporation shall be dissolved and terminated.

Jurisdiction of Court Trustees.

SEC. 2. Said court shall have jurisdiction in said cause to appoint receivers, issue injunctions, and pass interlocutory decrees and orders, according to the usual course of proceedings in equity; and shall, moreover, upon dissolving said corporation, or upon terminating its charter, appoint one or more trustees, who shall have all the powers conferred upon similar trustees by revised statutes, chapter forty-six, sections eighteen, nineteen and twenty, or by the statute approved February twenty-four, eighteen hundred and seventy-one, entitled "an act fixing the liability of stockholders in corporations," or by any other statute or law of the state, and also, all such special powers as may be properly given them by said court. But, notwithstanding the appointment of such trustees, said court may superintend the collecting and distribution of the assets of said corporation, and may retain said bill for that purpose.

No Person Relieved from Liability.

SEC. 3. Nothing herein contained shall be construed to relieve any officer, shareholder or other person from any liability to which he would be subject if this act had not been passed.

¹ Chap. 245, on Page 36.

MORTGAGES.¹

Provisions of R. S., C. 51, applicable to any Corporation Mortgage to Trustees.²

The provisions of the Revised Statutes, chapter fifty-one, sections forty-seven to seventy,³ each inclusive, are so far amended as to apply to and include all mortgages of franchises, lands, or other hereditaments, or of all them heretofore or hereafter given by any corporation to trustees to secure scrip or bonds of said corporation, so that the holder of said scrip or bonds may have the benefit of all said provisions, whether the said mortgages have been or may be, foreclosed in the manner provided by section fifty-three of said chapter, or in any other legal manner, and to the extent of and with reference to the property covered by the mortgage; the new corporation, when organized, shall have all the rights and privileges of the original corporation.

Mortgages Overdue for Three Years.⁴

SEC. 1. The provisions of sections forty-seven to seventy, each inclusive, of chapter 51 of the Revised Statutes, and all acts explanatory or amendatory thereof, or additional thereto, shall apply to and include all mortgages of franchises, lands, property, and rights of property, of any kind whatever, whether heretofore given or hereafter to be given

¹As the provisions of chapter fifty-one of the Revised Statutes, referred to in the following acts apply only to mortgages given to trustees to secure the payment of bonds or scrip of corporations, it has been thought unnecessary to print them entire; but all amendments and acts relating thereto have been carefully collected and referred to in the notes to the chapters printed.

²Chap. 122, Public Laws of 1876.

³Sec. 51 of Chap. 51, R. S., is amended by Chap. 123, Public Laws of 1876; Sec. 56 of Chap. 51, R. S., is amended by Chap. 151, Public Laws of 1877.

⁴Chap. 53, Public Laws of 1878.

by any corporation to trustees, to secure the payment of scrip or bonds, of said corporation, in all cases in which the principal of said scrip or bonds shall have been due and payable for more than three years, and shall remain unpaid in whole or in part, in the same way, and to the same extent as if the mortgage had been legally foreclosed, subject to all rights of redemption as provided in section fifty-seven of said chapter fifty-one: and the holders of said scrip or bonds shall have the benefit of all said provisions and acts, and shall have all the rights and powers of the corporation under its charter, and may form a new corporation in the manner provided in said chapter fifty-one, and the acts amendatory thereof and additional thereto, whenever the holders of such scrip or bonds to any amount exceeding one-half of the same, shall so elect in writing.

Stock of the New Corporation.

SEC. 2. The capital stock of such new corporation shall be equal to the amount of unpaid bonds and coupons secured by such mortgages, taken at their face, at the time of the organization of the new corporation, and the amount required to redeem any prior mortgage, and shall be divided shares of one hundred dollars each. All stock issued under the provisions of this act shall be taken and considered as paid for in full, and shall not be liable to further assessment; and no person taking or holding the same, shall, by reason thereof, be liable for the debts of such corporation.

Mortgage of Personal Property.¹

A mortgage made by a corporation shall be recorded in the town where it has its established place of business.

¹R. S. 1871, Chap. 91, Sec. 1.

SPECIAL DUTIES OF OFFICERS.¹**Shares Distrained for Non-Payment of Taxes.²**

When shares in the stock of any corporation have been distrained for non-payment of taxes, "The proper officer of such corporation, on request of such constable or collector, shall give him a certificate of the shares or interest owned by the delinquent therein, and issue to the purchaser certificates of such shares, according to the by-laws of the corporation."³

When Shares in a Corporation are Attached.³

When the share or interest of any person in any incorporated company is attached on mesne process, an attested copy of the writ with a notice thereon of the attachment, signed by the officer, shall be left with the clerk, cashier or treasurer of the company; and such attachment shall be a lien on such share or interest, and on all accruing dividends; and if the officer having the writ of attachment exhibits it to the officer of the company having custody of the account of shares or interest of the stockholders, and requests a certificate of the number held by the defendant, and such officer unreasonably refuses to give it, or wilfully gives him a false certificate thereof, he shall pay double the damages occasioned by such refusal or neglect, to be recovered against him in an action on the case by the creditor.

When Shares are Sold on Execution.⁴

The officer of the company having the care of the records or account of shares, or interest of the stockholders, shall

¹Such as are the subject of statutory provision and not given in the other chapters printed herein.

²R. S. 1871, Chap. 6, Sec. 111.

³R. S., 1871, Chap. 81, Sec. 25.

⁴R.S., 1871, Chap. 84, Sec. 14.

on the exhibition to him of the execution,¹ give the officer holding it a certificate of the number of shares held by the judgment debtor or of the amount of his interest, under the penalty provided in chapter eighty-one, section twenty-five.²

CIVIL ACTIONS.

Where Brought.

When a corporation is one party, and a county the other, the action if local or transitory, shall be brought in any adjoining county.

When one party is a town, parish, or school district, and the other some corporation in the county in which either of the parties is situated.

Corporations may sue and be sued in the county in which they have any established place of business, or in that in which the plaintiff or defendant, being a natural person, lives.

An act of incorporation, which provides that the action may be brought in the county where the company is established, does not repeal Sec. 6, Chap. 81, in express terms, or by implication.

Martin v. Penobscot F. I. Co., 53 Me. 419.

Service on Corporations.⁴

In suits against a corporation, the summons shall be

¹The manner in which shares shall be sold on execution is provided for in sections 12 and 13 of Chap. 84, R. S., 1871; see also Sec. 15 of the same chapter, for provisions relating to the transfer and to the dividends of shares sold on execution.

²*Supra*.

³From R. S., 1871, Chap. 81, Sec. 13.

⁴From R. S., 1871; Chap. 81, Sec. 18, as amended by Chap. 155, Public Laws of 1877.

served by leaving an attested copy thereof with its president, clerk, cashier, treasurer, general agent or director; if there is no such officer or agent found within the county where such corporation is established, or where its records or papers are by law required to be kept, with any member thereof; and in all suits and proceedings at law or in equity against any foreign or alien company or corporation established by the laws of any other state or country, and having a place of business within this state or doing business therein, service of the writ, bill, petition, or other process shall be sufficient, if made by leaving an attested copy thereof with the president, clerk, cashier, treasurer, agent, director or attorney of such company or corporation, or by leaving such copy at the office or place of business of such company or corporation within this state; and in each case, it shall be served thirty days before the return day thereof.

The service of a writ upon a manufacturing corporation, by leaving an attested copy thereof and of the name thereon, with the clerk of such manufacturing corporation, thirty days before the day of the sitting of the court, to which the same writ shall be returnable, is a good service.

Hinkley v. Bluehill Granite Co., 16 Me., 370.

Service when no Officers can be found.¹

When no officer, general agent, or member of a domestic corporation, can be found in the county in which the same is located, nor in the county in which its last certificate of election of clerk has been filed, the officer having in his hands any process for service on such corporation, may file a copy thereof in the registry of

¹ Chap. 192, Sec. 1, Public Laws of 1880.

deeds, of the county in which such corporation was located, or in which its last certificate of election of clerk, was filed, and make return of his doings, which service shall be sufficient to hold said corporation to answer to such process.

Attachment.¹

The franchise and all right to demand and take toll, and all other property of a corporation, may be attached on mesne process, and the attaching officer shall leave an attested copy of the writ, with a notice of the attachment thereon, signed by him, with the clerk, treasurer, or some officer or member of the corporation, as provided in section eighteen.²

See Benson v. Smith, 42 Me., 414.

Treasurers may Maintain Suits.³

Treasurers of corporations may maintain suits in their own names, as treasurers, on contracts given to them, or their predecessors, and prosecute suits pending in the name of their predecessors.

In Actions of Dower.⁴

When a corporation is the tenant of the freehold she must demand her dower in writing, of any officer thereof, on whom, by law, a writ in a civil action against it may be served; and the time shall be sixty, instead of thirty days between the demand and the suit; but a second demand may be made as aforesaid.

¹ R. S., 1871, Chap. 81, Sec. 26.

² See Page

³ R. S. 1871, Chap. 82, Sec. 13.

⁴ R. S. 1871, Chap. 103, Sec. 18.

When a foreign corporation is seized of real estate, situated in this State, and has a tenant thereon, the demand of dower may be made, under the provisions of R. S., Chap. 103, Sec. 17, upon the tenant in possession.

Stevens v. Rollinsford Savings Bank, 70 Me., 180.

Costs.1

In actions of a corporation, its travel is to be computed from the place where situated, if local, otherwise from the place where its business is usually transacted, not exceeding forty miles, unless its agent actually travels a greater distance to attend court.

TRUSTEE PROCESS.

Where Action shall be Brought.2.

In a trustee process against a corporation aggregate, its residence shall be deemed to be in the county in which it has its established or usual place of business or held its last annual meeting, or usually holds its meetings.

In a trustee process, the action may be brought in the county where the corporation aggregate, summoned as trustee, has its established or usual place of business, provided the name of such corporation be inserted, and service made upon it, at any time prior to service on the principal.

Cooper v. Bailey, 52 Me., 230.

1 R. S., 1871, Chap. 82, Sec. 119.

2 From R. S. 1871, Chap. 86, Sec. 5.

The principal defendant, as well as trustee, may abate a suit, if it is not brought in the right county.

Scudder v. Davis, 33 Me., 575.

What Corporations may be Summoned.¹

All corporations, and all foreign or alien companies or corporations, established by the laws of any other State or country, and having a place of business, or doing business within this State, may be summoned as trustees, and the writs served on them, as other writs on such companies or corporations; and they may answer by attorney or agent, and make disclosures, which shall be signed and sworn to by such attorney or agent, or such other person as upon whom legal service of the writ may be made; and the same proceedings shall thereupon be had throughout, except necessary changes in form, as in other cases of foreign attachment.

Where a corporation is summoned as trustee, service of the writ by leaving a copy at the place of last and usual abode of the treasurer or other proper officer is sufficient. But after the corporation has appeared, submitted to the jurisdiction of the court and made disclosure, and judgment has been entered, it is too late to object to a service defective in such a particular.

Harris v. S. & K. R. R. 47 Me. 298.

A cashier of a bank, in which are deposited the funds of a corporation, cannot be holden as trustee of said corporation, although he is also treasurer of said corporation, and deposited the funds in the bank as such treasurer.

Sprague v. Steam Navigation Co., 52 Me., 592.

Pettingill v. Androscoggin R. R., 51 Me., 370.

The treasurer of a corporation cannot be charged, as

¹ R. S., 1871, Chap. 86, Sec. 8, as amended by Chap. 131, Public Laws 1873, and Chap. 153, Public Laws 1877.

its trustee, for funds held by him officially.

Nor can he be charged, as trustee, for such funds pledged to him to secure an indebtedment of the company to him.

Bowker v. Hill, 60 Me., 172.

A corporation, summoned as trustee, may disclose by attorney. Such attorney need not be a member of the corporation or their general business agent. His answers are to be considered true, until disproved.

Heud v. Merrill, 34 Me., 586.

A corporation, in making a disclosure by their agent, under a trustee process, is not concluded by the entries upon their books.

Bigelow v. Y. & C. R. R. 37 Me. 320.

Stockholders' Interest may be Attached.¹

The amount which a stockholder of a corporation is liable to pay to a judgment creditor thereof, may be attached by a creditor of such judgment creditor, by trustee process, served on such stockholder at any time after the commencement of the judgment creditor's action against him, and before the rendition of judgment therein.

Trustees of Defendant may make Set-off.²

Any corporation summoned as trustees of a defendant, may set off and deduct from any amount found due the defendant from the trustees, and attached by trustee process, the amount due from the defendant to the trustees for taxes.

¹ From R. S. 1871, Chap. 86, Sec. 36.

² Chap. 185, Public Laws of 1871.

EXECUTION.¹

In Case of Manufacturing Corporations.²

The lands of manufacturing corporations,³ and their titles as mortgagees of lands, may be seized on execution and sold at auction. The officer shall give notice of the time and place of sale fourteen days previous thereto, by posting it in two or more public places in the town where the lands lie, and in a newspaper printed in the county, if any, otherwise in the state paper; and he may by deed convey the same, and a debt secured by such mortgage and remaining unpaid, will pass with the mortgagee's title to the purchaser, who may recover the premises or debt in his own name. In such action, a copy of the mortgage, attested by the register of deeds, shall be received as *prima facie* evidence of such deed, and of the contracts secured by it, as remaining due at the time of trial. The clerk of the corporation, on reasonable request of the officer, shall furnish him with a certified copy of such contract, and of all payments made thereon.

No transfer of such mortgage, or of the debt secured thereby, made by such corporation after notice of the seizure thereof on execution is filed in the registry where the land lies, or given to the party to be affected thereby shall have any validity against the purchaser at such sale.

The corporation may redeem such land, or mortgage

¹See Sec 32, Chap. 46, page 33. Also Sec. 24, page 22. *Whitney v. Hammond, Hathorn v. Calif.*, *Stanley v. Stanley*, page 26, and Sec. 25, page 27 with cases cited.

²From R. S., 1871, Chap. 76, Secs. 39, 40, 41. These Sections also apply to banks.

³See Sec. 12 of Chap. 48, page, 66.

and debt, as is provided for the redemption of lands levied on by appraisement; and such right may be attached and sold on execution as the right to redeem from the sale of an equity of redemption may be, and the corporation will have the like right to redeem from such second sale.

ADDITIONAL NOTES OF DECISIONS.

Subscriptions.

A promise in writing to take and fill a certain number of shares in a chartered company, by a subsequent organization of the company, and an acceptance of the subscription, becomes a binding contract.

Penobscot R. R. v. Dummer, 40 Me. 172.

Penobscot & K. R. R. v. Dunn, 39 Me. 587.

York & Cumberland R. R. v. Pratt, 40 Me. 447.

Buckfield B. R. R. v. Irish, 39 Me. 44.

Upon a subscription, promising a corporation to take and pay for shares in its stock, assumpsit may be maintained, although the corporation has not exercised its chartered authority to sell the shares for delinquency of payment.

Kennebec & P. R. R. v. Jarvis, 34 Me. 360.

The right of holding shares is a sufficient consideration for a promise to the corporation to take such shares and pay for them.

Ibid.

See also Kennebec & P. R. R., v. Palmer, 34 Me. 366.

But an agreement in writing to subscribe a certain number of shares to the stock of a corporation is not an express promise to pay for them.

Kennebec & P. R. R. v. Kendall, 31 Me. 79.

Machias Hotel Co. v. Coyle, 35 Me. 405.

A written agreement to take and secure a certain number of shares in a corporation before its organization is a proposal to take that number of shares, and does not make the subscribers thereto stockholders in such com-

pany, unless such proposal has been accepted by said company after it has been organized,

Starrett v. Rockland F. & M. Ins. Co., 65 Me. 374.

Belfast & M. L. R. R. v. Moore, 60 Me. 561.

Belfast & M. L. R. R. v. Cottrell, 66 Me. 185.

The return of the name of such a subscriber to the Secretary of State as a stockholder, by the secretary of the company, under a mistake of fact, and the entry of it upon the stock ledger do not constitute an acceptance of his proposal.

Starrett v. Rockland F. & M. Ins. Co., *supra*.

It is not competent for a subscriber to show, that the shares subscribed for, and recorded in the books of the corporation, were subscribed for by persons of no actual pecuniary responsibility.

Penobscot R. R. v. White, 41 Me. 512.

Belfast & M. L. R. R. v. Brooks, 60 Me. 568.

If the directors acting in good faith, come to the conclusion that the subscriptions were made by responsible parties, their decision is conclusive.

Belfast & M. L. R. R. v. Brooks, *supra*.

The alteration of the charter of a corporation, requiring a less amount of capital stock, whereby the amount required is subscribed for, cannot make *previous subscribers* to its stock liable as shareholders, who were not such before the alteration.

O. & L. R. R. Co. v. Veazie, 39 Me. 571.

A member of a corporation cannot object to the payment of his subscription, on the ground that the legislature, after he had subscribed, altered the act of its incorporation.

South Bay M. D. Co. v. Gray, 30 Me. 547.

When the charter of a corporation requires notice of the time and place for opening books of subscription to the capital stock to be given under the direction of the persons named in the first section of the act, a majority

of the persons thus named, and less than the whole, may lawfully give such notice.

Penobscot R. R. v. White, 41 Me. 512.

Where a corporation at its first meeting, voted the amount of each share in its stock, and that one of its members should solicit subscriptions, and the defendant subscribed for stock the same day, and there appeared to be no other subscription paper, it was held to be a proper authorization of the subscription.

South Bay M. D. Co. v. Gray, 30 Me., 547.

A subscriber who participates in the calling of a meeting for its permanent organization, and is therein chosen a director and acts as such, thereby waives his right to avoid payment on the ground of insufficiency of notice of the call for the meeting.

Bucksport & B. R. R. v. Buck, 68 Me. 81.

Whether directors of a corporation have power to release a subscription to the capital stock of the company, without consideration *quære*, but if they possessed such power, and the release is optional with the subscriber, he must elect within a *reasonable time*.

A recognition and claim of representing such shares, long after such action of the directors, may well be considered an election to keep shares subscribed for.

Penobscot & K. R. R. v. Dunn, 33 Me. 537.

Conditional Subscriptions.

When a subscription is made on condition that a certain number of shares shall be subscribed for before the corporation shall be organized, the records of its proceedings showing that the required number had been taken are competent and *prima facie* evidence that the condition has been performed.

And where a subscription is based on a further condition, that the company is not to enter into any contracts

for the construction of its road, until a given number of shares are taken, the books of the directors, in the absence of countervailing evidence, are competent evidence to show the fulfillment of the condition, if the directors had authority to act.

And the doings of a board of directors, *de facto*, whose acts have been ratified by the corporation, are unobjectionable, although the records of the corporation, show another board to have been previously elected, but no evidence of their accepting the trust.

Penobscot & K. R. R. v. Dunn, 39 Me. 587.

A subscription for a certain portion of such capital stock, on condition that a *proposition* made by the subscriber shall be accepted, which was in fact but the basis of a contract, but when drawn up in form was repudiated by the subscriber as being variant from the proposition, is invalid, although the *proposition* may have been accepted by the corporation.

O & L. R. R. Co., v. Veazie, 39 Me. 571.

A person subscribed for stock, upon condition that a certain amount be taken by responsible parties, by a specified day. At that date the required amount has been taken, but also upon a condition which was not performed, but which was afterwards waived by the subscribers. *Held*, that, as the condition upon which the first subscriber agreed to take the stock was not fulfilled within the time specified, he was released from his obligation, and that his liabilities could not be affected by a subsequent waiver by the other subscribers, of the condition upon which they agreed to take the stock.

Ticonic Co. v. Lang, 63 Me. 480.

Assessments.

A corporation cannot legally assess its stock until it fixes the amount of its capital.

Pike v. Shore Line, 68 Me. 445.

Somerset & K. R. R. v. Cushing, 45 Me. 524.

Somerset R. R. v. Clarke, 61 Me. 379.

Kennebec & Portland R. R. v. Jarvis, 34 Me. 360.

Penobscot R. R. v. Dummer, 40 Me. 172

If the subscription is obtained *in good faith* assessments will be valid, although some of the subscriptions, to make up the required amount, should turn out to be worthless.

Penobscot R. R. v. Dummer, 40 Me. 172.

Belfast & M. L. R. R. v. Brooks, 60 Me. 568.

and see same case cited on page 53.

A corporation authorized to hold real and personal estate, each to a limited amount, may lawfully make assessments upon its members to an amount exceeding the personal estate it was authorized to hold.

South Bay M. D. Co. v. Gray, 30 Me. 547.

The right to make assessments cannot be made to depend upon any actual or apparent indebtedness existing at the time.

Penobscot R. R. v. White, 41 Me. 512.

In assumpsit against a stockholder to recover assessments on his stock, it must be alleged that such assessments were due and payable when the action was commenced.

Bethel Toll & Bridge Co. v. Bean, 58 Me. 89.

No other demand for payment of assessments to maintain an action, is necessary than that prescribed in the by-laws of the corporation.

Penobscot R. R. v. Dummer, *supra*.

Where the terms of a subscription are that not more than five dollars shall be assessed at the *same time*, if no more is required to be *paid* at one time, it is no valid objection that other assessments were voted at the same time.

Ibid.

Penobscot & K. R. R. v. Dunn, 39 Me., 587.

A corporation may maintain an action on an express promise to pay for a share or assessment thereon, or when by the charter or other statute provision a personal obligation is imposed on the holder to pay for them.

Bangor Bridge Co. v. McMahon, 10 Me. 478.

Bangor House v. Hinckley, 12 Me. 385.

Kennebec & P. R. R. v. Kendall 31 Me. 470.

South Bay M. D. Co., v. Gray, 30 Me. 547.

In an action to recover assessments it is not necessary for the corporation to show a compliance with certain provisions in its charter relating to the amount to be first subscribed.

Penobscot R. R. v. White, 41 Me. 512.

In a suit by a corporation against a subscriber to its capital stock for assessment it is not competent for the defendant to show, by parole evidence, that his subscription was upon a condition not expressed in the writing.

Kennebec & Portland R. R. v. Waters, 34 Me. 369.

Directors.

For the official misconduct of the directors of an incorporated company, and fraud in the discharge of their duties, they are responsible to the corporation.

Smith v. Poor, 40 Me. 415.

And an individual corporator, who has suffered damage in a contract made with such company, through the fraudulent acts and votes of its directors, under cover of their office, can maintain no action against them to recover compensation. His remedy is against the company.

Ibid.

Directors and managers of a corporation are trustees; holding such a fiduciary relation to their stockholders, they cannot be permitted to acquire interests adverse to such relation.

European & N. A. Ry Co. v. Poor, 59 Me. 277.

Directors of a corporation, unless specially empowered, have no authority to make sale of any portion of its estate, essentially necessary for the transaction of its customary business.

Rollins v. Clay, 33 Me. 132.

The directors of a corporation have no power to make a donation from, or misappropriate its funds in violation of the laws and rules regulating its mode of action.

Frankfort Bank v. Johnson 24 Me. 490.

Where the only provision in the charter for a sale of shares to obtain unpaid assessments is by order of the directors, they cannot delegate their powers for such a purpose.

York & Cumberland R. R. v. Ritchie 40 Me. 425.

If the defendants in the bill in equity, as agents of the corporation, have acted fraudulently towards it, obtained fraudulent judgments against it, and on them have made a fraudulent sale of its franchise, these are wrongs primarily committed against the corporation.

And until it has been shown to have been incapable of doing it, or to have been faulty, no corporator can assume the right of the corporation to obtain redress for such wrongs, and to settle for them with the persons committing them.

Hersey v. Veazie, 24 Me. 9.

See Smith v. Poor, 40 Me., 415.

Treasurers.

The treasurer of a corporation cannot be charged as its trustee for funds as held by him officially. Nor can he be charged as trustee for such funds pledged to him to secure an indebtedment of the company to him.

Bowker v. Hill, 60 Me. 172.

The treasurer of a corporation, who purchases stock in its behalf, and by direction of its authorized officers, does not render himself personally liable to pay therefor; but otherwise, if he really acts for himself, or without authority from the corporation, though purporting to act as its agent and in its behalf.

Haynes v. Hunnewell, 42 Me. 276.

Duty imposed on Corporations.

Whether a duty imposed upon a corporation by law is merely directory, or is essential to the enjoyment of some of their rights, must be determined by its nature and object, by the public convenience, and by what may be understood to have been the intention of the legislature.

Middle Bridge v. Brooks 13 Me. 391.

Where tenants in common of a lot of land, on their petition, were incorporated for the purpose of erecting a public house thereon, the character of the property was thereby changed from real to personal; and the owners, instead of holding as tenants in common, with the rights, privileges, and liabilities incident to that relation, held as corporators subject to the rules and regulations prescribed in the act.

Bangor House v. Hinckley 12 Me., 385.

Unincorporated Joint Stock Companies.

Every member of an unincorporated joint stock company is personally liable for all its debts.

Frost v. Walker 60 Me. 468.

It is sufficient to authorize a finding that persons are members of such company, if it be proved that their names are signed to the subscription papers for its capital stock, and that they paid, without objection, assessment for the number of shares set against their respective names, even though it be not shown by whom their names were so subscribed. *Ibid.*

By this contributing to the working capital, the subscribers became entitled to share in the profits of the company, and liable as co-partners for its debts. *Ibid.*

It seems that there is no distinction, in respect to their liability, between a subscriber for stock and a stockholder; however this may be, an actual payment of assessments upon shares subscribed for, will create such liability. *Ibid.*

Franchises.

Immunity of taxation is not one of the franchises of a corporation.

State v. Maine Central R. R., 66 Me., 488.

SPECIAL LAW.

(Chapter 48, Revised Statutes, 1871.)

MANUFACTURING CORPORATIONS.

Powers, Liabilities and Officers.

SEC. 1. Manufacturing corporations are to exercise the powers and be subject to the duties and liabilities contained in this and the forty-sixth chapter, and in their charters. They are to have a president, directors, clerk, treasurer, and any other desirable officers.

Officers.

SEC. 2. These officers are to be chosen annually, and are to continue in office till others are chosen and qualified in their stead. There are not to be less than three directors, one of whom is to be by them elected president. No director or treasurer¹ can hold such office after he ceases to be a stockholder. The treasurer is to give bond for the faithful discharge of his duties in such sum and with such sureties as are required. The clerk is to be sworn, and to record all votes of the corporation in a book kept for that purpose.

¹The words "or treasurer" are stricken out by Chap. 47, Public Laws of 1881.

First Meeting. By-Laws.

SEC. 3. The first meeting may be called by a majority of the persons named in the act, in the manner prescribed in section two, chapter forty-six, giving fourteen days notice thereof. By-laws may be made and enforced as provided in section five of that chapter.¹

Capital.²

SEC. 4. The capital is to be fixed within the limits of the charter and divided into shares; and the names of owners, and the number of shares owned by each, are to be entered on record at its first meeting. The capital may be subsequently increased to the amount allowed by its charter by adding to the number of shares.

Certificates. Transfer of Shares.

SEC. 5. Certificates, stating the number of shares owned by them, signed by the treasurer, with the seal of the corporation affixed, are to be furnished to the stockholders. They are transferable, as provided in the eleventh section of chapter forty-six.³

Assessments.

SEC. 6. Assessments, not exceeding the amount originally limited for a share, may be made on all the shares, to be paid to the treasurer, in such installments and at such times as are ordered. If a stockholder neglects to pay such assessments on his shares for thirty days, the treasurer may sell at public auction a sufficient number of them to pay the same with incidental charges.

¹ See page 6.

² Amended by Chap. 187, sec. 2, Public Laws of 1871, by inserting after the word "charter" the words "or written articles of agreement." Chap 187 was repealed by Chap. 22, Public Laws of 1872.

³ See page 11.

Sale of Shares.

SEC. 7. The treasurer, before the sale, is to give notice of the time and place of such sale, and of the amount due on each share, in a newspaper printed in the town, if any; if not, in the county where the manufactory is established, otherwise in the state paper, three weeks successively; and a certificate of the sale of such shares, made by the treasurer, and recorded as transfers, are required to be, transfers the title to the purchaser.

Semi-Annual Statements.

SEC. 8. The treasurer is to publish, semi-annually, in the months of January and July, in such newspaper as designated in the preceding section, a statement under oath, of the amount of assessments actually paid in, of the existing capital, of the debts due, of the capital invested in real estate and fixtures upon it, including machinery, and of the last valuation of the real estate, and of the aggregate value of the taxable property of the corporation, as fixed by assessors. For neglect or refusal to publish such a statement, the treasurer on indictment and conviction, is to be fined not exceeding two thousand dollars, or imprisoned less than one year. For such neglect or refusal, or for publishing a false statement, with intent to injure a present or future creditor of the corporation, he shall be punished by a fine not exceeding five thousand dollars, or by imprisonment in the county jail less than one year, or in the state prison not exceeding ten years, any or all of them according to the aggravation of the offence.

Prohibition to Contract Debts.¹

SEC. 9. These corporations are prohibited to contract

¹ See Sec. 5, Page 39, and *Poor v. Willoughby, infra*.

debts exceeding, at any one time, the amount of their capital invested within the state in real estate and fixtures thereon, including machinery; and from becoming indebted to an amount exceeding one half their capital paid in and remaining undivided, and of their other property and assets. When they comply with these prohibitions and limitations, their stockholders are relieved from all individual liability for their debts. When either of these limitations are violated, their stockholders become individually liable for debts of the corporation in the manner provided in chapter forty-six.

By Chap. 169 of the Public Laws of 1855, the remedy was changed as to manufacturing corporations in an action against the stockholders of such corporations to recover a corporate debt, *scire facias* was the proper form of action.

Whitney v. Hammond, 44 Me., 305.

Chap. 109, of the Public Laws of 1844, did not repeal any of the provisions of Chap. 76, Revised Statutes of 1841, by exempting manufacturing corporations from their operation, except upon the conditions therein named.

Ibid.

Manufacturing corporations do not come within the provisions of Chap. 271 of the Public Laws of 1856.

Milliken v. Whitehouse, 49 Me., 527.

Chap. 109, of the Public Laws of 1844, (which was not repealed by Chap. 271 of 1856,) applies to manufacturing corporations.

Whitney v. Hammond, *supra*.

Milliken v. Whitehouse, *supra*.

By Revised Statutes of 1857, Chap. 48, Sec. 9, manufacturing corporations are prohibited to contract debts exceeding, at any one time, the amount of their capital invested within the State in real estate, and fixtures thereon, including machinery; and from becoming indebted to an amount exceeding one-half of their capital

paid in and remaining undivided, and of their other property and assets. When they comply with these prohibitions and limitations, their stockholders are relieved from all individual liability for their debts. When either of these limitations is violated, their stockholders become individually liable for debts of the corporation in the manner provided in Chap. 46.

Lovegrove v. Hunt, 58 Me., 9.

The liability arising under Chap. 48, Sec. 9, is to be made available to creditors of the corporation in the manner prescribed in Chap. 46, Sec. 24. *Ibid.*

The liability imposed on stockholders by R. S., Chap. 48, Sec. 9, is repealed by the act of 1871, Chap. 205, by Sec. 5 of which act their liability is restricted to "the amount or amounts withdrawn or not paid in" by such stockholders.

Poor v. Willoughby, 64 Me., 379.

Dividends.

SEC. 10. Dividends of profit may be made by the directors, but the capital or the debts due are not thereby to be reduced, until all debts due from the corporation are paid. Any officer or member, who votes or aids to make a dividend in violation hereof, is liable to a fine not exceeding two thousand dollars, and to imprisonment less than one year; and all sums received for such dividends may be recovered by any creditor of the corporation in an action on the case.

Names of Directors, &c., to be furnished Officers.

SEC. 11. Every agent or person having charge of corporate property, is, on request, to furnish the names of the directors and clerk, and a schedule of all property, including debts known by him to belong to the corporation, to an officer having a writ or execution against the corporation for service.

Officer may Elect to take Debts. Proceedings.¹

SEC. 12. An officer, having an execution against such a corporation and unable to find property liable to seizure, or the creditor, may elect to satisfy it, in whole or in part, by a debt due to the corporation not exceeding the amount due to the creditor, and a person having custody of the evidence of such debt is to deliver it to such officer with a written transfer thereof, to have for the use of the creditor, which is to constitute an assignment thereof, and the creditor, in the name of the corporation, may sue for and collect it, subject to any equitable set-off by the debtor.

Penalty for Refusing to Comply with Preceding Sections.

SEC. 13. Any officer or other person, who unnecessarily neglects or refuses to comply with the provisions of the two preceding sections, forfeits not exceeding four times the amount due on such execution, and may be imprisoned less than one year.

Books to be Produced.

SEC. 14. When a suit or prosecution is pending for a violation of any provision hereof, the clerk or person having custody of the books of the corporation, upon reasonable written notice for the purpose, is to produce them on trial; and for neglect or refusal so to do, he is liable to the like fine or imprisonment as the party on trial would be on conviction.

Children not to be Employed.

SEC. 15. No child can be employed or suffered to work in a cotton or woolen manufactory without having attended a public school, or a private one taught by a

¹See under Executions page 62.

person qualified to be a public teacher, if under twelve years of age, four months, if over twelve and under fifteen years of age, three months of the twelve, next preceding such employment, in each year. A certificate under oath of such teacher, filed with the clerk or agent before employment, is to constitute the proof of such schooling.

Penalty.¹

SEC. 16. Any owner, agent, or superintendent, of such manufactory, for each violation of the provisions of the preceding section, forfeits one hundred dollars, to be recovered by indictment, one-half to the prosecutor, and the other to the town where the offence was committed, to be added to its school money. Superintending school committees shall inquire into such violations, and report them to a county attorney, who, on reception thereof, shall prosecute therefor.

Employees under 16 years old.

SEC. 17. No person under the age of sixteen years is to be employed by any corporation more than ten hours of a day. Any person violating this provision forfeits one hundred dollars, one-half to the town where the offense is committed, and the other to the use of the person employed; to be recovered by indictment.

**CORPORATIONS ORGANIZED UNDER THE
GENERAL LAW.**

Manner of Organization.² Amount of Stock.³ Officers.

SEC. 18. Three or more persons may associate them-

¹As amended by Chap. 221, Public laws of 1880.

²Amended by chap. 133, Public Laws of 1879; chap. 177, sec. 2, Public Laws of 1880, repeals chap. 133 of 1879, and continues in force sections 18 and 19 as above, except so far as modified by chap. 65, sec. 2, Public Laws of 1876, relating to Business Corporations; for which see page 71.

³See note under sec. 19, page 69.

selves together by written articles of agreement, for the purpose of carrying on any manufacturing, mechanical, mining or quarrying business. Their first meeting shall be called by one or more of the signers of said articles, by giving notice thereof, stating the time, place and purposes of the meeting to each signer, in writing, or by publishing it in some newspaper printed in the county, at least fourteen days prior to the time appointed therefor. At such meeting they may organize into a corporation, adopt a corporate name, define the purposes of the corporation, fix the amount of the capital stock, which shall not be less than one thousand dollars, nor more than five hundred thousand, divide it into shares, and elect a president, not less than three directors, a secretary, treasurer and any other necessary officers, and adopt a code of by-laws.

Increase of Stock.

[In case the stockholders of any corporation, organized under Chapter forty-eight of the Revised Statutes, find that the amount of the capital stock as fixed by the articles of agreement is insufficient for the purposes for which said corporation is organized, or that the number of directors as thus fixed is inconvenient for the transaction of business, the stockholders may, by a majority vote, increase the amount of the capital stock of said corporation to any amount they choose, not, however, to exceed the limit fixed in the eighteenth section of Chapter forty-eight of the Revised Statutes, and may increase the number of directors in like manner, and the corporation shall give notice of such changes to the Secretary of State within ten days thereafter.¹]

¹Chap. 202, Public Laws of 1871.

Certificate of Organization.¹

SEC. 19. Before commencing business the president, treasurer and a majority of the directors shall prepare a certificate setting forth the name and purposes of the corporation, the amount of capital stock, the amount already paid in, the par value of the shares, the names and residences of the owners, the name of the county where located, and the number and names of the directors, and shall sign and make oath to it; and after it has been examined by the attorney general, and by him certified to be properly drawn and signed and conformable to the constitution and laws, it shall be recorded in the registry of deeds in the county where the business is to be done, in a book kept for that purpose, and a copy thereof certified by such register shall be filed in the Secretary of State's office, and he shall enter the date of filing thereon, and on the original certificate to be kept by the corporation, and shall record said copy in a book kept for that purpose. And said corporation shall pay the Attorney General and Secretary of State five dollars each for their services in advance.

Unless the certificate of the Attorney General be obtained as required by R. S., Chap. 48, Sec. 19, persons associating themselves together under the provisions of that chapter do not become a corporation.

¹Chap 187, sec. 1, Public Laws of 1871, provides that, "In the formation of corporations under the provisions of sections 18, 19 and 20 of chapter 48, R. S., the persons associating together shall, in their written articles of agreement, provided by sec. 18, express the limits within which the capital stock of the company is to be fixed. And the certificate provided by sec. 19 shall show these limits, together with the other matters as now required by sec. 19."

Sec. 2 of chapter 22, Public Laws of 1872, provides that the organization of any corporation already formed under the provisions of sections 18, 19 and 20 of chapter 48, R. S., is hereby made legal, notwithstanding any failure to comply with the provisions of sec. 1, of chapter 187, Public Laws, 1871, if otherwise organized according to law.

Where a number of persons had signed an agreement to associate themselves together, agreeably to the provisions of R. S., Chap. 48, for the purpose of erecting a shoe factory building, and had voted an assessment upon themselves before applying to the Attorney General for his certificate, under Sec. 19 of that chapter, and another after such certificate had been refused them; and two more assessments were laid by the officers chosen by them, in accordance with the by-laws they had adopted; and subsequently a portion of those so subscribing had, without the concurrence of the defendant, procured from the Legislature an act of incorporation to effectuate the purpose originally contemplated; it was held, that the corporation created by this act (Private Laws 1872, Chap. 15) could not enforce payment of any of the assessments previously laid against the defendant in the manner aforesaid.

Richmond Factory v. Clarke, 61 Me., 351.

Manufacturing corporations "incorporated by general law" under the provisions of R. S., Chap. 48, sections 18, 19, 20, stand on an equality with those "incorporated by special act" as to the rights and powers conferred, and as to the duties, obligations and liabilities imposed by R. S., chapters 46 and 48.

Poor v. Willoughby, 64 Me., 379.

When a Corporation.

SEC. 20. From the time of filing such certificate in the Secretary of State's office, the signers of said articles and their successors and assigns shall be a corporation the same as if incorporated by a special act, with all the rights and powers, and subject to all the duties, obligations and liabilities provided by this and chapter forty-six.

The liability of stockholders in such corporations is fixed by chapter 105, Public Laws of 1871.¹ *Ibid.*

¹See page 36.

BUSINESS CORPORATIONS.¹

Business and Exceptions.

SECT. 1. Corporations for the carrying on of any lawful business within this State, excepting banking, insurance, the construction and operation of railroads, or aiding in the construction thereof, and the business of savings banks, trust companies or corporations, intended to derive profit from the loan or use of money, and safe deposit companies, including the renting of safes in burglar and fire-proof vaults, and also telegraph companies, may be organized in the same manner now provided by law for incorporation of manufacturing, mining and quarrying companies.

Capital Stock.²

SECT. 2. All companies organized under the provisions of this act, or section eighteen, chapter forty-eight, of the Revised Statutes, shall fix the amount of the capital stock, which shall not be less than one thousand dollars, nor more than five hundred thousand dollars, and the acts of all companies heretofore formed under the provisions of law relating to the organization of business corporations, in fixing the amount of capital stock in a sum not over five hundred thousand dollars, are hereby declared valid, if otherwise organized according to law.

Freight and Passenger Carriers.³

The act approved February 2d, 1876,⁴ providing for the

¹Chap. 65, Laws of 1876.

²As amended by Chapter 177, Public Laws of 1880.

³Chap. 19, Public Laws of 1878.

⁴Chap. 65, *supra*.

organization of business corporations, is and shall be construed to include corporations whose purpose is the carriage of passengers or freight, or both, upon the high seas, or from port or ports in this State to a foreign port or ports, or to a port or ports in other States; and to include all corporations whose purpose is the carriage of freight or passengers, or both, upon any waters whatever where such corporations may legally navigate.

TABLE OF PARALLEL SECTIONS.

This Table is designed to show, at a glance, the parallel sections of chapters forty-six and forty-eight of the Revised Statutes of 1871 and 1857, and chapters seventy-six and seventy-eight of the revision of 1840; with the Acts amendatory to the two latter, and the chapters of the Public Laws, which were incorporated into the revision of 1840.

Reading from left to right, will be found first, the sections of the latest revision—that of 1871; then the acts amendatory to the corresponding section of the revision of 1857, passed between the date of the two revisions. After the sections of 1857, follow in like manner, the amendatory acts to the corresponding section of 1840, passed between the date of that revision and that of 1857.

When no corresponding section is to be found under the column marked R. S. the chapter cited as amendatory is the original act which formed the basis of the section of the Revised Statutes, given in the next left hand column.

In the right hand column will be found the original chapters incorporated into the revision of 1840.

The acts amendatory to the revision of 1871 have been incorporated in the text and cited in the foot notes.

R. S., 1871, C. 46.	Amendatory Acts, ¹ Public Laws.	R. S., 1857, C. 46.	Amendatory Acts, ² Public Laws.	R. S., 1840, C. 76.	Original Acts, Public Laws.
Sec. 1.		Sec. 1.		Sec. 1.	1836, ch. 200, §1, ch. 217, §1, 1837, ch. 289, §1.
2.	1863, ch. 141.	2.		7.	1836, ch. 200, §2.
3.		3.		8.	1835, ch. 151, §1.
4.		4.		11.	
5.	1870, ch. 164.	5.	1843, ch. 14.	6.	
6.		6.		9.	1829, ch. 439.
7.		7.	1855, ch. 163, §1, 2.		
8.		8.	1855, ch. 163, §2.		
9.		9.	R. S. 1840, ch. 67, §2. 1849, ch. 141.	2.	1837, ch. 289, §1.
10.		10.		3.	1837, ch. 289, §2.
11.	1862, ch. 146, §1.	11.		12.	1838, ch. 325, §1.
12.		12.	1843, ch. 14.		
13.		13.	1849, ch. 141.		
14.		14.		17.	1821, ch. 60, § 2, 9, 10, 13, 14, 15. 1831, ch. 519, §19.
15.		15.		4.	
16.		16.		5, 31.	
		39.		§1.	
17.		17.		23.	1831, ch. 503.
18.		18.		24.	1839, ch. 400, §1.

¹Amendatory to R. S., 1857, Chap. 46.²Amendatory to R. S., 1840, Chap. 76.

R. S., 1871, C. 46.	Amendatory Acts, ¹ Public Laws.	R. S., 1857, C. 46.	Amendatory Acts, ² Public Laws.	R. S., 1840, C. 76.	Original Acts, Public Laws.
Sec.		Sec.		Sec.	
19.		19.	R. S. 1840, ch. 47, §78.	25. 26.	1839, ch. 400 §2.
20.		20.		27.	1839, ch. 400, §2.
21.	1862, ch. 146, §2.	21.		13.	1839, ch. 280, §1.
22.	1859, ch. 70.	22.		14.	1837, ch. 280, §2.
23.	1863, ch. 192.	23.		15.	1837, ch. 280, §4.
				16.	1837, ch. 280, §3.
24.		24.	1856, ch. 271, §1. 1857, ch. 58.	18.*	1836, ch. 200, §3, 4.
25.	1858, ch. 25. 1857, ch. 76.	25.	1856, ch. 271, §2.	19.*	1836, ch. 200, §3, 4.
26.		26.	1856, ch. 271, §3.	20.*	1836, ch. 200, §3, 4.
27.		27.	1856, ch. 271, §4.		
28.		28.	1859, ch. 271, §5.		
29.		29.		21.	1836, ch. 200, §6.
30.		30.		30.	1839, ch. 400, §3. 1844, ch. 109.
31.		31.		22.	1836, ch. 200, §5.
32.		32.	1845, ch. 143, §1, 2.		
33.		33.	1848, ch. 64, §1.		
34.		34.	1848, ch. 64, §2.		
		36.	1848, ch. 64, §3.		
35.		35.	1848, ch. 64, §2.		
36.		37.		28.	
37.		38.		29.	

¹Amendatory to R. S., 1857, Chap. 46.²Amendatory to R. S., 1840, Chap. 76.

*These sections repealed by ch. 271 of 1856.

R. S., 1871, C. 48.	Amendatory Acts, ¹ Public Laws.	R. S., 1857, C. 48.	Amendatory Acts, ² Public Laws.	R. S., 1840, C. 78.	Original Acts, Public Laws.
Sec.		Sec.		Sec.	
1.		1.		1.	
				2.	1821, ch. 137,
				3.	\$1.
2.		2.		3.	
				4.	1821, ch. 137,
					\$1.
3.		3.		5.	1821, ch. 137,
					\$2.
				6.	1821, ch. 137,
					\$1.
4.		4.	1853, ch. 22, §1.	7.	1821, ch. 137,
				13.	\$3.
5.		5.	1853, ch. 22, §2.	8.	1821, ch. 137,
					\$3.
				9.	1838, ch. 325.
6.		6.		10.	1821, ch. 137,
					\$5.
				11.	1821, ch. 137,
					\$5.
7.		7.		12.	1821, ch. 137,
					\$5.
8.		8.	1844, ch. 109, §1.		
9.		9.	1844, ch. 109, §3.		
			1850, ch. 157, §1.		
10.		10.		15.	1828, ch. 385,
				16.	\$3.
11.		11.		17.	1828, ch. 385,
					\$4.
12.		12.		18.	1828, ch. 385,
					\$4.

¹Amendatory to R. S., 1857, Chap. 48.²Amendatory to R. S., 1840, Chap. 78.

R. S., 1871, C. 48.	Amendatory Acts, ¹ Public Laws.	R. S., 1857, C. 48.	Amendatory Acts, ² Public Laws.	R. S., 1840, C. 78.	Original Acts, Public Laws.
Sec.		Sec.		Sec.	
13.		13.		19.	1828, ch. 385, §4.
14.		14.		20.	1828, ch. 385, §4.
15.		15.	1847, ch. 29, §1, 2, 3.		
16.		16.	1847, ch. 29, §3, 4.		
17.		17.	1841, ch. 83, §2.		
18.	1862, ch. 152, §2, 4, 5, 6. 1867, ch. 125, §1, 7, 11, 13, 14. 1870, ch. 93, §1.				
19.	1867, ch. 125, §2, 3, 4. 1870, ch. 93, §2.				
20.	1867, ch. 125, §5. 1870, ch. 93, §3.				

¹Amendatory to R. S., 1857, Chap. 48.²Amendatory to R. S., 1840, Chap. 78.

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APPENDIX A.

TAXATION.

Exemption.

It is for the Legislature to determine what property, real and personal, shall be subject to, and what shall be exempted from taxation, and the Legislature cannot constitutionally transfer such power to municipal corporations.

Brewer Brick Co. v. Brewer, 62 Me., 62.

Farnsworth Co. v. Libson, 62 Me., 451.

Opinions of the Justices, 58 Me., 591.

Allen v. Jay, 60 Me., 124.

Mines Exempted.¹

SEC. 1. That all mines of gold, silver, or of the baser metals, which are now or may be opened and in process of development, shall be exempt from taxation for a term of ten years from the time of such opening.

SEC. 2. This act shall not affect the taxation of the lands or the surface improvements of the same, at the same rate of valuation as similar lands and buildings in the vicinity.

Where Tax Shall be Laid.

A corporation owning personal property, not composing a part of its capital, may be taxed for it in the town of its established place of business.

P. S. & P. R. R. v. Saco, 60 Me., 196.

The merchandise of a manufacturing corporation, employed in trade in a store, is not taxable to the corporation in the town where the store is situated; but to the individual holders of the stock, where they live.

Gardiner C. and W. Factory v. Gardiner, 5 Me., 133.

¹Chap. 29, Public Laws 1878. This act was repealed by Chap. 209, Public Laws 1880, but revived by Chap. 227 of the same year.

When Taxable to Corporation.

The property of corporation, when not otherwise subjected to assessment to the shareholders, is taxable to such corporation.

Baldwin v. Ministerial Fund. 37 Me., 369.

Misnomer.

Misnomer of a corporation will not necessarily defeat a tax against it.

Farnsworth Co. v. Rand, 65 Me., 19.

OFFICERS' RETURNS.**Penalties.**

Sec. 1, Chap. 79, Public Laws of 1881, amends Sec. 23,¹ Chap. 46, R. S., by striking out all after the word "State."

Sec. 2 provides for the enforcement of the penalties against treasurers not complying with Sec. 23 of Chap. 46.

Subsequent Compliance.²

If at any time within thirty days from the commencement of the action, under section one of this act,³ such corporation shall make to the Secretary of State the returns required by law, the Secretary of State shall forthwith notify the Attorney General, and he shall discontinue such suit upon the payment to him of the costs already accrued.

Statements.⁴

If any officer of a corporation charged with the duty of making and causing to be published any statement in regard to such corporation, shall neglect so to do, such officer, in

¹ See page 22, *supra*.

² Sec. 3, Chap. 79, Public Laws 1880, page 2.

³ The words stricken out are: "But no such action shall be maintained against a manufacturing corporation unless such neglect or refusal of the clerk was willful and for the purpose of concealment."

⁴ Sec. 4, Chap. 79, Public Laws 1881, see page 63, *supra*.

addition to penalties already provided, shall forfeit the sum of five hundred dollars, to be recovered by action on the case to the use of the person suing therefor.

[FORM FOR TREASURER'S RETURN.]

(Under Section 2, Chap. 46, R. S.)

Return to the Assessors of....(Name of town)....by the
Treasurer of.....(Name of corporation).....

Name of Stockholder.	Amount of Stock owned by each	
	No. of Shares.	Par value, \$....
	" "	" "
	" "	" "

The amount of stock paid into the corporation is \$.....

.....Treasurer

of.....

ABSTRACT

Of Section 34, Chapter 6, R. S., as amended.¹

If it shall be found by the assessors, receiving returns of stock made, in accordance with Sec. 21, Chap. 46, R. S., that any of the stockholders therein do not reside in such town, they shall, within fifteen days, return the names of such stockholders and amount of stock held by each, to the assessors of the town where said stockholders do reside, if their residence is known, and within the State; if not, said return is to be made to the assessors of the town where the corporation is located, and subject to the provisions of section 32.²

¹By Chap. 139, Public Laws 1879, this abstract is required, by law, to be incorporated into or affixed to each return made.

²Of chap. 6, R. S.

LOANING CREDIT OF CITIES AND TOWNS.¹

Whenever any city or town has voted at any legal meeting thereof upon any question of loaning its credit to, or taking stock in, or in any way on aid to any person or corporation, it shall not be lawful for said city or town to vote again upon the same subject, excepting only at its annual meeting.

¹Chap. 216, Public Laws of 1871.

APPENDIX B.

BLANK FORMS FOR ORGANIZATION OF CORPORATIONS UNDER THE GENERAL LAW.

Articles of Association.¹

In accordance with the provisions of the Revised Statutes of the State of Maine, chapters 48, sections 18, 19 and 20, and statutes amendatory thereof and additional thereto, we the undersigned, whose residences are stated opposite our respective signatures, hereby associate ourselves together by these written articles of agreement for the purpose of organizing a corporation for the purpose of.....

which said corporation shall be located at....., in the County of and said State of Maine, and shall have its office at said.....

The first meeting shall be held in accordance with section 18 of said chapter 48 at the office of.....

¹ See page 68, *supra*. Sec. 1 of Chap. 187, Public Laws of 1871, given in Note 1, page 69, *supra*, was repealed by Chap. 22 of Public Laws of 1872, and the Articles of Association need not express the limits of the capital stock.

.....in said.....on the.....day
of.....A. D. 188 , at.....o'clock M.
Dated at.....this.....day
of.....A. D. 188 .

Names.

Residences.

.....
.....
.....
.....
.....
.....
.....
.....

Notice of First Meeting on Articles of Association.

I,.... , one of the above
signers, hereby give notice that the first meeting of the
above associates will be held at the time and place speci-
fied in the above agreement of association, which is
hereby made a part of this notice.

.....

Proof of Notice of First Meeting by Publication.

....., Maine,.....188 .

I hereby certify that I gave due notice of the fore-
going, by causing the printed notice hereto attached,
marked "A," to be published in the.....
a newspaper published at said.....on
the.....day of.....A. D.

188 , which said printed notice I cut from said newspaper of said date.

STATE OF MAINE, }
County of..... } ss.

.....188 .

Subscribed and sworn to before me,

Justice of the Peace.

**Proof of Notice of First Meeting by Service Endorsed on
Articles of Association.**

I, the within named..... hereby certify that on the.....day of.....188 , at.....o'clock...M., I gave in hand to the within nameda written notice, of which the within is a true copy, and on the.....day of.....at.....o'clock....M., I gave to the within named.....a written notice, of which the within is a true copy, &c. (Continue in same manner for each signer.)

Acknowledgment of Notice by Service.

We hereby acknowledge we received the notice, of which the above is a true copy.

Dated,.....

.....
.....

Record of the First Meeting.¹

A meeting of the associates above named was called to order at the office of _____ No.

_____ street, in _____, County
of _____ and State of Maine, at _____ o'clock.
M.

Present: (Here give the names of the associates present.)

AB. was chosen Chairman and FH. was chosen Secretary of this meeting.

The Secretary was then duly sworn according to the following original oath:—

STATE OF MAINE.

County of....., ss.

.....188 .

Personally appeared before me.....and being duly sworn according to law, made oath that he would faithfully and impartially perform the duties of Secretary of the meeting of associates mentioned in written articles of agreement dated and signed by

(Here give the names of the signers of the original articles.)

Before me,

.....
Justice of the Peace.

A. B. presented the original of the foregoing articles of agreement, notice and affidavit, and the same were placed on file by the Secretary.

On motion, it was voted to organize a corporation according to the provisions of the foregoing agreement under sections 18, 19 and 20 of chapter 48 of the Revised Statutes of Maine, and statutes amendatory thereof and in addition thereto.

¹The record book should begin with a copy of the Articles of Association, the notice and proof thereof. The statute provisions relating to the first meeting are given on page 68, *supra*.

On motion, it was voted that the name of such corporation shall be the _____ Company.

On motion, it was voted that the purposes of such corporation shall be _____ and its place of business _____

On motion, it was voted that the capital stock of such corporation be fixed at.....dollars.

On motion, it was voted that said capital stock be divided into _____ shares of the par value of _____ dollars each.

On motion, it was voted to proceed to the election of directors¹ by written ballot, and A. B., C. D. and J. R. had _____ votes, being a majority of (or all) all the votes cast, and they were severally declared to be duly elected Directors.

On motion, it was voted to proceed to the election of President by written ballot, and A. B. had.... votes, being a majority (or all) of the votes cast, and he was declared to be duly elected President.

On motion, it was voted to proceed to the election of Secretary by written ballot. F. H. had _____ votes, being all the votes cast, and he was declared to be duly elected Secretary.

The Secretary was then duly sworn according to the following original oath, viz:—

- STATE OF MAINE.

....., ss.

.....188 .

Then personally appeared F. H., Secretary of the.....
.....Company, and being duly sworn according

¹ See section relating to Officers, page 61, *supra*. For increase of directors, see page 68, *supra*.

to law, made oath that he would faithfully and impartially perform the duties of said office.

Before me,

.....
Justice of the Peace.

[If the corporation has an Assistant Secretary, he can be elected at this time.]

On motion, it was voted to proceed to the election of Treasurer by written ballot, and J. R. had votes, being a majority (or all) of the votes cast, and he was declared to be duly elected Treasurer.

On motion, it was voted to adopt the following *By-Laws*: [A form for by-laws is given on page 113. They should be inserted in full on the record.]

On motion, it was voted to open subscriptions for stock of said corporation, which was accordingly done, with the following result, as appears by the original subscription on file with the Secretary, of which the following is a copy:—

Subscription for Stock.

..... Maine,.....18 .

We, the undersigned, severally agree each with the other, in consideration of the mutual agreements hereinafter contained, to pay for and receive the number of shares, capital stock in the.....Company, set against our respective names:—

<i>Names.</i>	<i>Residences.</i>	<i>No of Shares.</i>
.....
.....
.....
.....

I hereby acknowledge the receipt of the foregoing subscriptions in cash at par.

.....*Treasurer.*

On motion, it was voted to prepare the certificate,¹ setting forth the name and purposes of said corporation and other particulars, as required by section 19 of said chapter 48, and the same was accordingly done.

On motion, it was voted to prepare the certificate² of election of Secretary of said corporation, to be filed in the office of the Register of Deeds for said County of _____ and the same was accordingly done.

On motion, it was voted to adjourn.

Approval of Records of First Meeting.

We, the undersigned, being all the members of the foregoing corporation, hereby certify that we were all present at the foregoing meeting of associates, as appears by the above mentioned records thereof, which said records we hereby ratify and consent to.

Certificate of Organization of a Corporation Under the General Law.³

STATE OF MAINE.

The undersigned, officers of a corporation organized at _____ at a meeting of the signers of the articles of agreement therefor, duly called and held at _____ in the town of _____ on _____ the _____ day of _____ A. D. 188____, hereby certify as follows:—

The name of said corporation is _____

¹ Form given on page —.

² Form given on page 110.

³ See *infra*.

The purposes of said corporation are.....

.....

.....

.....

.....

.....

.....

.....

The amount of capital stock is.....

The amount of capital stock already paid in is.....

.....

The par value of the shares is.....

The names and residences of the owners of said shares are
as follows:—

<i>Names.</i>	<i>Residence.</i>	<i>No. of Shares.</i>
.....
.....
.....

Said corporation is located at.....

in the County of.....

The number of directors is.....and their names are

.....

The undersigned,..... is president;
the undersigned,.....is treasurer; and
the undersigned,.....
.....

are a majority of the directors of said corporation.

Witness our hands this day
of A. D. 188 .

..... *President.*

..... *Treasurer.*

.....
.....
.....
.....
.....
..... } *Directors.*

..... ss.

..... A. D. 188 .

Then personally appeared.....

.....
and severally made oath to the foregoing certificate, that
the same is true.

Before me,

.....
Justice of the Peace.

Certificate of Stock 1

(Name of the Company.)

No. (No. of Certificate.)

(No. of Shares.)

Shares \$....each.

THIS IS TO CERTIFY that.....is

¹ See Sec. 5, pages 11 and 62, *supra*.

entitled to.....full paid Shares of the
Company of.....
 transferable only on the books of the Company in person or
 by attorney on the surrender of this certificate.

.....188....

.....*President.*

.....*Treasurer.*

If the Company has a Transfer Agent, the Certificate
 should contain:—This Certificate is not valid unless coun-
 tersigned by the Transfer Agent of the Company in
 , and must be surrendered to said Transfer
 Agent.

Countersigned this.....day
 of.....188....

.....*Transfer Agent.*

Transfer of Stock.

FOR VALUE RECEIVED, I hereby transfer to.....
of.....
Shares in the Capital Stock of
Company,
 subject to the provisions of the By-Laws of said Company.

Witness my hand and seal thisday
 of.....188....

In presence of

.....

Subscription Agent's Receipt.

\$.....188 .
 RECEIVED OF.....
Dollars....forShares
 of the.....Company,
 as per agreement, which entitles the holder to the.....
 number of (unassessable) Shares in the Corporation when
 formed; procurable on presentation of this Receipt to the
 Secretary of the Company by the holder or his order.
 *Agent.*

Certificate of Election of Secretary.¹

STATE OF MAINE, }
 County of.....}188 .

We hereby certify that.....
 of.was this day chosen by ballot
 Secretary of the.....Company,
 a corporation organized on the..day
 of.....188 , under the provisions of
 chapter 48, Revised Statutes of Maine, sections 18, 19 and
 20, and the acts additional thereto and amendatory thereof.

.....
President of said Corporation.

.....
Secretary of said Corporation.

Subscribed and sworn to,
 Before me,

.....
Justice of the Peace.

¹ Sec. 10, page 10, *supra*.

Power of Attorney to Act at Organization.

KNOW ALL MEN BY THESE PRESENTS, That I,.....
in the County of
and.....of
hereby constitute and appoint.....
my true and lawful ATTORNEY for me and in my name and
 stead to attend the meeting of associates, and any adjourn-
 ment hereof, to be held at the office of.....
No.....Street,
Maine, on the....day of.....
 A. D. 188 , for the purpose of organizing a mining cor-
 poration, under the provisions of chapter 48, Revised
 Statutes of Maine, and statutes amendatory thereof and
 additional thereto, in accordance with articles of associa-
 tion, framed under the provisions of said chapter, dated the
day of.....A. D.
 188 , and signed by myself and others, and to vote at all
 such meetings in my name at his discretion, and to sub-
 scribe and pay for stock in said corporation to an amount
 not exceeding.....dollars par value.

Hereby granting unto my said attorney full power and
 authority to act in my name and stead, concerning the
 premises, as fully and effectually as I might do if personally
 present.

IN WITNESS WHEREOF, I have hereunto set my hand
 this.....day of.....in
 the year one thousand eight hundred and.....

Executed and delivered,	}
in presence of		
.....		
.....		

Proxy.¹

KNOW ALL MEN BY THESE PRESENTS, That.....

 Stockholder in theCompany,
 do hereby appoint.....true
 and lawful Attorney, with power of substitution, for.....
 and in.....name to vote, as.....proxy, at the
 meeting of the Stockholders in said Company, to be held at
on the.....day
 of.....next, or at any adjournment
 thereof, with all the powers which.....should
 possess if personally present.

WITNESS.....hand and seal , this.....
 day of.....188 .

Executed in presence of

.....

.....

¹ See Sec. 12, page 12, *supra*.

BY-LAWS.

[The following form for By-Laws may be found useful.]

ARTICLE I.

Organization.

This corporation shall be known by the name ofCompany, and shall have a common seal, which shall bear the inscription.¹

ARTICLE II.

Officers.

The officers of this corporation shall be a President, Secretary, Treasurer, and five directors, each officer except the Secretary to be a holder of at least ten shares of stock recorded in his own name.

¹The name of the corporation alone, or better, the name of the corporation and date of organization, is a proper inscription for a seal.

ARTICLE III.

President.

The President shall preside at all meetings of the directors or stockholders. He shall sign, as President, all certificates of stock, and all contracts or other instruments in writing, which have been first approved by the Board of Directors.

He shall have the casting vote at all meetings of the Directors or Stockholders.

He may call special meetings of the Board of Directors or Stockholders, at his discretion, and shall call such meetings of the Directors when so requested by a majority of the board.

In the absence of the President, the Directors may choose one of their number to preside.

Treasurer.

It shall be the duty of the Treasurer to keep safely all moneys of the corporation, and disburse the same under the general direction of the Board of Directors.

At each annual meeting of the stockholders he shall submit a complete statement of his accounts for the past year, with the proper vouchers for their information. He shall discharge such other duties pertaining to his office as shall be prescribed by the Board of Directors. He shall give bond for the faithful discharge of his duties, if required by the Board of Directors, in such amount and with such sureties as the Board shall require, and shall sign all certificates of stock.

He shall keep the book of blank certificates of stock, fill up and countersign all the certificates issued, and make the corresponding entries on the margin of such books on such issuance.

He shall keep a stock ledger in due form, showing the number of shares issued to and transferred by any of the stockholders, and the date of such issuance and transfer.

He shall have charge of the corporate seal and affix the same to all instruments requiring a seal. He shall keep, in the manner prescribed by the Board of Directors, all the accounts of the corporation, in books to be provided for that purpose. He shall discharge such other duties as pertain to his office and as shall be prescribed by the Board of Directors.

Secretary.

It shall be the duty of the Secretary to keep a record of the meetings of the Board of Directors and of the Stockholders.

The Board of Directors may appoint an Assistant Secretary, who shall be appointed to do, in the absence of the Secretary, all acts which the Secretary is authorized to perform; and shall make a report of his doings to the Secretary on the ninth of each month, or as soon thereafter as may be,—not to exceed the current month; or, in the absence of the Secretary, to the President.

Board of Directors.

I. The Board of Directors shall have the power:—
1. To call meetings of the stockholders when they deem it necessary, giving notice thereof as required by Article V, and they shall call meetings of stockholders at any time upon the written request of persons representing one-third of the capital stock. The notice of call for all special meetings shall state, in general terms, the business proposed to be transacted at such meeting. 2. To appoint and remove, at pleasure, all employees and

agents of the corporation, prescribe their duties, fix their compensation, and require of them security for the faithful performance of their duties. 3. To make rules and regulations not inconsistent with the laws of the State of Maine, or the by-laws of the corporation, for the guidance of the officers and management of the affairs of the corporation. 4. To declare dividends out of the surplus profits, whenever they shall deem it expedient. 5. To incur such indebtedness as they may deem necessary; *Provided, however*, that no indebtedness shall at any time be incurred by the Corporation, contrary to the laws of Maine. 6. To appoint one of their number Managing Director to have general supervision of the details of the business of the corporation, subject to such directions as he may from time to time receive from the Board of Directors, and subject to removal by said Board. 7. To purchase any and all lands, buildings, stock, tools, machinery, and fixtures, which they may deem necessary or beneficial to the carrying on of the business of the company, and are authorized to issue the stock of the corporation as payment for such purchases, subject to the limitations provided by the laws of Maine. 8. To audit all accounts and fix the compensation, if any is deemed advisable, of officers.

II. It shall be the duty of the Board of Directors:—
1. To cause to be kept a complete record of all their meetings and acts; and also of the proceedings and stockholders. 2. To present a full statement at the regular annual meeting of the stockholders, showing in detail the assets and liabilities of the corporation, and generally, the condition of its affairs; and to present a similar statement at any other meeting of the stockholders, when thereto previously requested by persons representing at least one-third of the capital stock of the

corporation. 3. To supervise all the acts of the officers and employees, require the Secretary and Treasurer to keep full and accurate books and accounts, and to prescribe the form and mode of keeping such books. 4. To cause to be issued to the stockholders, in proportion to their several interests, certificates of stock, not to exceed, in the aggregate, the capital stock of the corporation.

ARTICLE IV.

Contracts.

No contracts made by any officer of the corporation shall be valid without the previous authorization or subsequent ratification of the Board of Directors.

ARTICLE V.

Meetings.

1. The regular annual meeting of the stockholders shall be holden on the _____ of each year, at _____, Maine; a representation of a majority of the capital stock shall be necessary for the transaction of business at all meetings of the stockholders.

At all meetings of the corporation, each stockholder shall be entitled to as many votes as he holds shares of stock, and representation by proxy, duly appointed, shall be allowed,—such proxy to be filed with the Secretary of the corporation.

2. All meetings of the stockholders shall be called by written or printed notice, signed by the Secretary, directed to each stockholder at his usual place of resi-

dence, at least ten days before the day of such meeting, or by publication in one or more newspapers in the State, at least thirty days before the day of such meeting, such notice to state in general terms the business proposed to be transacted at such meeting.

3. A majority of the Board of Directors shall constitute a quorum for the transaction of business.

ARTICLE VI.

Certificates.

Certificates of stock shall be of such form and device as the Board of Directors may direct, and such certificates shall be signed by the President and Treasurer, and each certificate shall express on its face its number, the date of its issuance and the number of shares for which and to whom it is issued.

Several certificates may be issued to the same person or persons, provided that, in the aggregate, they do not exceed the number of shares belonging to such persons. The certificate book shall contain a margin, on which shall be entered the number of certificate, date, number of shares and name or names of the person or persons expressed in the certificate.

Shares of the corporation may be transferred at any time by the holders thereof, or by attorney legally constituted, or by their legal representatives. The transfer shall be made by endorsement on the certificate of stock, and surrender of the same; *Provided*, that such transfer shall not be valid, except between the parties thereto, until the same shall have been noted in proper form on the books of the corporation. The old certificate shall be surrendered before a new certificate in lieu thereof shall be issued.

ARTICLE VII.

Books and Papers.

The books and papers in the office of the Secretary and Treasurer shall, at all times in business hours, be open to the inspection of the Board of Directors and any Stockholder of record.

ARTICLE VIII.

Amendments.

These by-laws may be altered or amended at any annual meeting of the corporation, or any special meeting called for that purpose, by a vote of two-thirds of stock represented; *Provided*, that a notice of such intended alteration or amendment be given in the call for such special meeting.

ARTICLE IX.

These by-laws shall always remain in the possession of the Secretary of the corporation.

ARTICLE X.

The business office of this corporation shall be in in the County of.....
State of Maine.

ARTICLE XI.

The shares in this corporation shall be non-assessable.

